

The **NATIONAL UNDERWRITER**

Life Insurance Edition

OVER \$400,000,000 INSURANCE IN FORCE*

*A gain of more than \$130,000,000 in slightly over
a year and a half. No group included.



The Friendly
**FRANKLIN LIFE INSURANCE
COMPANY**

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

FRIDAY, AUGUST 16, 1946



The MAN of the MONTH

Emil Hein

Led the entire field force
in paid for business for
the month of June.

In my experience with life insurance selling there are two essentials which have meant much to me and which are contributing to my success.

One is honesty in relations with clients and prospective policyholders. In this respect I try to put the interest of the policyholder ahead of my own. I conscientiously try to serve in the same manner I would want to be served had I been in the same circumstance.

The second essential is a determination to write life insurance intelligently. To do this requires study. One must know policy contracts, their application to life situations, company practices, and keep abreast of current information.

These two essentials are also inherent qualities of the Ohio State Life. Honest dealings with fieldmen and policyholders, training material and Home Office associations, have taught me the understanding of life underwriting, and have given me the determination to do the job right.

CLARIS ADAMS
President

★

FRANK L. BARNES
Vice President
Director of Agencies

Emil Hein

THE OHIO STATE LIFE

Insurance Company



COLUMBUS, OHIO

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Mutual Life Move Studied from All Angles

**T. I. Parkinson and
R. R. Lounsbury Officially
Take Negative Stand**

Reactions to Mutual Life's recent announcement of lower policy loan interest rates and a sliding scale based on amount have been widely varied among other life companies. President T. I. Parkinson of Equitable Society and President R. R. Lounsbury of Bankers National Life have come out definitely against such a plan.

The effect on competing companies will be interesting to observe. It is understood on good authority that Mutual Life's announcement caused the veterans' administration to cut its proposed policy rate on National Service life insurance to 4%. Companies appear to be in no rush to clamber aboard Mutual's bandwagon but it will not be surprising to see some reductions, such as offering 5% even though the rate specified in the policy is higher. Use of a sliding scale is looked upon as considerably less likely.

Admire Bold Action

Whether they approve of the course or not, nobody is lacking in admiration for Mutual's boldly plunging ahead in such an important step. And though not taken with that objective, Mutual's move certainly helps greatly to dispel any lingering idea among the public that life companies are in cahoots in most of the important steps they take.

Mutual's action serves to bring up for consideration the principle of discrimination—and it should be noted that there is a big difference between fair and unfair discrimination—in other phases of life insurance. Until Mutual brought out its sliding scale interest basis the principle of differentiating among policyholders in accordance with the cost of handling their business had been largely confined to the preferred risk type of policy, where the higher minimum amount, plus the more stringent selection standards, made it reasonable to charge a lower rate.

Should this principle be extended to other aspects of life insurance, we might see a more definite relationship between size of policy and cost, whether adjusted through difference in premium rate or through dividends. There might be a movement to make insurance costs more accurately reflect mortality experience. It has long been known that mortality varies definitely according to sections of the country, though the present practice is not to make any distinction in rate or dividend on that account. It could be argued that failure to differentiate is unfair to policyholders living in the healthier than average sections of the country.

In other branches of the insurance business it is customary to have insurance costs reflect such factors as geographical location where it has a bearing on the experience. Anyone who drives a car knows that his liability insurance, for example, costs him less or more than someone in another part of the state where accident experience has been different.

Not long ago Dr. S. S. Huebner of

Prominent Speakers for Selection Men's Gathering

The program for the annual meeting of the Institute of Home Office Underwriters to be held at the Edgewater Gulf Hotel, Edgewater Park, Miss., Oct. 9-11, has been practically completed. Charles J. Smith, Pan-American Life, is general chairman.

Several prominent men in the life insurance business have been added to the program as guest speakers. Pearce Shepherd, vice-president and associate actuary of Prudential, will deliver a paper on the "Social Aspects of Underwriting"; Dr. Reynold C. Voss, associate medical director of Pan-American Life, will give a paper on "Tropical Diseases"; Dr. Lytle Atherton, medical director of Lincoln Income Life, will deliver a paper on the "Medical Director's Views on Industrial Underwriting"; and Parker G. Sanford, vice-president of the Retail Credit Co., will give a paper on "Inspection Companies Relationship To The Underwriter". Several other guest speakers will be announced later.

Case Clinic a Feature

The meeting will be opened by an address of welcome by Emmett Russell, Jr., assistant secretary of Life & Casualty and will be followed by reports of the various committees. The meeting will be divided into several sections which will include the case clinic, industrial round table session and ordinary round table session, in line with the usual procedure.

The University of Pennsylvania, one of our best known insurance educators urged a lower premium rate for policyholders who would agree to submit to periodic health examinations. The same principle is involved as with Mutual Life's policy loan plan—making the cost to the policyholder reflect the variation in cost to the company.

There will doubtless be some companies which agree with the soundness of the sliding scale principle employed by Mutual Life in its new policy loan rates but which will hesitate to follow suit for fear that the public will misunderstand and think that a sliding scale is a concession to those who are better off financially. The public's reception of Mutual's sliding scale plan should indicate whether policyholders generally are mature enough to understand the fairness of such a basis or whether they will raise the cry that discrimination is being practiced in favor of the well heeled.

Lounsbury's Criticism Given

Mr. Lounsbury made public a message that he has sent to his agents on the question of interest rate on policy loans.

Mr. Lounsbury expressed the belief that the major purpose of life insurance is to provide financial independence for the families of policyholders who die too soon and for the old age of those who live beyond their earning period and hence most policy loans represent a borrowing on the part of the assured from his wife and children.

Much too high a percentage of men leave at their death very little except the

Life Men Meet with Treasury Head Sept. 16

WASHINGTON—A committee representing the life insurance industry will confer with Secretary of the Treasury Snyder Sept. 16 on matters related to the handling of the national debt and interest rates on government borrowings.

George L. Harrison, president New York Life, heads the group, which is a liaison committee representing Life Insurance Association of America and A.L.C. to keep in contact with the Treasury.

Occasional conferences between life insurance industry representatives and treasury officials began during the administration of Secretary Morgenthau and continued with Secretary Vinson.

The committee is expected again to point out the needs of the life companies for satisfactory interest rates because of guarantees in their policies. If government interest rates are low, the reduced income from government bonds is reflected in lower company dividends.

A Treasury spokesman said Secretary Snyder's meeting with the life insurance committee will be one of two or more similar conferences with groups interested in government debt and interest rates, etc., including a committee representing bankers, scheduled to meet with the secretary later this month. The spokesman said the Treasury considers ideas and suggestions submitted at such conferences, weighs the various factors involved, and then comes to a final decision on matters at issue.

proceeds of life insurance policies. Very few carry enough life insurance to provide adequate financial support for their dependents in event of death.

Therefore, Mr. Lounsbury said that he questions the social value of adopting a course of action that may easily encourage policyholders to jeopardize insurance estates by borrowing money secured by their policies. During what was formerly regarded as normal times, policy loans were not repaid and the rate of termination on policies on which loans are outstanding is substantially higher than loan free policies.

Represents Joint Failure

Except for term contracts, every policy that terminates prior to the death of the insured or its maturity as an endowment represents a joint failure of the policyholder and the insurer to carry out a worthy endeavor. When a policyholder borrows on his policy, he has no obligation to undertake any definite schedule of repayment and if it is admitted that policy loans ought to be repaid for the benefit of the beneficiaries, then the rate of interest ought to be such as to provide an incentive for repayment rather than an incentive to let the loan stand.

Policy loans should not be encouraged, according to Mr. Lounsbury, as if their desirability as a reliable source of income outweighed completely the primary purpose of life insurance. If banks see fit to encourage policyholders to make life insurance loans by offering very low rates, "it seems to us that we in the life insurance business who know the inherent dangers involved for the beneficiaries when policyholders borrow on insurance policies, should do what we can to stick to fundamental principles and to the best of our ability encourage policyholders to do likewise."

Mr. Lounsbury has for many years been urging restrictions on policy loans that would keep them from being used so freely in the many cases where they

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Personal Producers Seminar Feature of N.A.L.U. Meet

**Five Leaders in Field to
Tell How They Do It
at Cleveland**

A national sales seminar, staged by five of the country's outstanding personal producers will be one of the top-flight features on the program of the National Assn. of Life Underwriters' Cleveland convention.

The main ballroom of the Hotel Statler has been reserved for the producers pow-wow which will be held Wednesday afternoon, Sept. 11.

The agent platform chosen by the program committee represents large and medium sized companies, operating in rural and metropolitan areas and work in both the ordinary and weekly premium fields.

Collis L. Ackiss, Metropolitan Life, Norfolk, Va.; John W. Arden, Southwestern Life, Waxahachie, Tex.; Edwin T. Golden, New York Life, San Francisco; George L. Maltby, Equitable Life of Iowa, Kansas City, Kan.; and D. L. Myrick, Great Southern Life, Lake Charles, La., are the agents who will address the seminar.

Mr. Ackiss is one of the outstanding combination industrial-ordinary agents of the country. He entered Metropolitan Life in 1941, and quickly became a leading producer. In the past four years his annual production of ordinary has exceeded \$500,000. From 1942 to 1944 he averaged for each week of each year a combined industrial increase of \$1.50. In 1944 he took leading place in honor club points over the 20,000 agents of Metropolitan in the United States and Canada.

He is well known throughout the south as one of the outstanding platform speakers in the business.

Mr. Arden started in the general insurance business in 1919, after attending Southern Methodist University. He established himself in Waxahachie in 1928 as a full time life insurance agent, although he had been representing Southwestern Life for nine years. His production record with that company has been outstanding for the past 20 years. He is a charter member, past chairman and life member of the Leaders Round Table of Texas.

Golden West Coast Leader

Mr. Golden has been a producing agent of New York Life since he entered the business in 1932 upon graduation from the University of California. Although it was in the depths of the depression, he produced \$244,000 of business on 144 lives his first full year. In 1940 and every year since he qualified for the Million Dollar Round Table.

He is a director and vice-president of the San Francisco association, former president of the San Francisco C.L.U. chapter and president of the New York Life C.L.U. Association. He has starred as a speaker at sales congresses and is author of the book, "Young Man, Here's How to Sell Life Insurance."

Mr. Maltby has spent 31 years in life insurance, the last 24 with Equitable Life of Iowa in Kansas City, Kan. He entered the business with Metropolitan Life in 1915 as an agent, becoming su-

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R. R. Lounsbury

Unique Manual Digest 1946 Edition Ready

**Many Improvements
in New Edition of
1,546 Page Publication**

Treating all life companies and all phases of life insurance facts and figures in its 1,546 pages of closely compiled statistics, the new 1946 Unique Manual Digest, recently published by THE NATIONAL UNDERWRITER, provides the answers to practically all questions concerning companies, contracts, rates, values, dividends, costs and settlement options—that any field man may ever want or need.

In four main sections, the new Unique Manual presents (1) a very complete picture of everything of consequence regarding the companies, (2) full details of each company's contracts, (3) extremely comprehensive rate, cost and value data, and (4) a special programming and reserve table section of some 120 pages. No other reference book published ever attempts to cover all these important subjects in a single volume. Now in its 48th annual edition, the Unique Manual has unquestionably the broadest scope of any compilation of life insurance facts and figures.

Detailed Statement Analysis

In the first major section, devoted to companies and called National Underwriter Reports, all of the useful and official facts and figures concerning the development and present standing of each company—both large and small—are presented. These reports include all of the significant, factual information on which to form judgment of a company. Here also is the most detailed analysis of the latest annual statements available from any source except the convention form itself.

In the main section of the Unique Manual, there are 1,058 pages devoted to contract, rate, dividend and value information, the scope of which is not even approached by any other publication. The "obscure" but significant provisions of each company's contract are brought to life in concise, "easily grasped" paragraphs, in such a way that the user can quickly get at the point in question. Company practice, as well as contractual provisions are carefully covered. Rates are shown on thousands of contracts not available elsewhere, dividend and cost data far exceeds any other compilation, and some 10 times as much cash surrender value information (cash, loan and paid up) is provided, as is commonly included in smaller reference works. Especially helpful, too, is the information on the smaller companies included in this section, and the numerous sub-sections devoted to National Service Life Insurance, social security, juvenile insurance, industrial, single premium contracts, annuities, including joint and survivor, and other special contracts.

Important Improvements

Numerous important improvements have been made in the treatment of social security, NSLI and juvenile insurance in the new edition. The juvenile section has been enlarged to show the many changes in children's insurance during the past year, including those made because of the change in the New York law. The section on social security has been revised and enlarged to make a clear distinction between the

Perpetuate Management Control with Insurance

Harold W. Baird of the A. J. Johansen agency of Northwestern Mutual in New York City tells in his company's publication how insurance financing solved the problem of perpetuating control of Bay Ridge hospital of Brooklyn in the hands of physician stockholders of high caliber. It is a good example of how the ownership of life insurance on a large number of lives can perform valuable functions for business enterprises of many types at a nominal cost or even at a positive gain.

The hospital was founded in 1912 by five physicians who believed that a hospital owned and managed by the physicians who practiced there would best be able to maintain high standards over the years. Set up in a residential section of town, the hospital prospered and expanded and as more funds were needed the capital stock of the institution was made available in modest and substantially equal amounts to the leading physicians of Bay Ridge, expanding the idea of physician ownership.

Two Problems

The stock of the hospital became much more than an investment; actually it represented a franchise, permitting physicians of accomplishment to practice there in association with others of comparable caliber. In this respect the hospital was similar to the more familiar form of close corporation in which stock is less of an investment than it is a franchise and dividends are secondary to proprietary interest, the owner's primary income being received from other sources.

Two problems arose which revolved around what happens when a man dies. It became obvious that a small minority interest might represent a valuable franchise to a physician during his life time, but was of little value to his estate. Assuming that the directors wished to reinvest earnings in expanding the institution's facilities, the question was to whom the estate would look for income should it decide to retain the stock. It

benefits payable to a fully insured individual and to one currently insured. In addition to the table of incomes payable to a fully insured individual are tables showing monthly incomes to survivors of different classifications according to eight salary divisions.

Some 75 pages of reserves and other tables are also shown in the programming section, including this year for the first time the $2\frac{1}{2}\%$ American experience reserves for ordinary, 20-pay and 20-year endowment contract. Here also is one of the most valuable parts of this big book—the settlement option income tables—of which there are some 400 tables, all indexed by companies to show the exact incomes payable under both current issues and those of contracts issued a year ago. From these tables one may readily determine the incomes payable under the various options of almost all contracts issued back to the year 1910, in fact, it covers practically all life insurance in force today.

Large, medium sized and small companies are all treated in the Unique Manual. There is even a special listing of all companies that have gone out of business, changed their names or merged since 1909. A special table ranking 404 companies by insurance in force is included. All of this and much other useful data is carefully indexed by topics and by companies. Publication of the new edition was somewhat delayed due to the current printing situation but advance orders are now being delivered. Only a very limited supply of extra copies will be available. Orders for extra copies should be addressed to The National Underwriter Co., Statistical Division, 420 E. 4th street, Cincinnati 2, O. The single copy price is \$6.

was not apparent where the estate would find a buyer for a minority interest if it wished to sell and the question of what price it would be able to obtain was open.

The other half of the same problem was viewed from the standpoint of survivors. The very essence of the plan was that the hospital should be owned and operated by physicians practicing there. If in later years a considerable portion of the stock were to be owned by outside interests the conduct of its affairs might be quite different. There was always the possibility that the estate might sell the stock, carrying with it the privilege to practice at the hospital, to a physician whose standards might not be accessible to the group and who might not have the interest of the hospital at heart. So it was important to have a plan assuring retention of ownership in the survivor group.

To accomplish these objectives, the original founders undertook for a time to purchase, from personal resources, such stock as might become available at the death of a physician-stockholder. But here again were some real problems. There was no assurance that the estate would be willing to sell and there was no assurance that the founders would be able to purchase all such stock that might become available. By 1930, two of the founders had died and there was no assurance that the survivors of the original group would live to 1946 as it turned out they have. The question arose of who would be able to purchase the relatively large shares of the founders in event of their deaths. The possibility was that their estates would sell them to outside interests, possibly resulting in radical changes in policy.

Buy and Sell Agreement

The first part of the solution was a buy and sell agreement through which the stockholders obligated the estate to sell and the hospital agreed to buy the stock.

The remaining problem was where the hospital-corporation would get the cash to buy this stock when most of its assets were invested in buildings and equipment. Fortunately, the founders saw that this problem, just as a personal financial problem, could be transferred from their shoulders to a life insurance company whose primary function was providing cash at the time most needed. The ideal sinking fund was the unique investment of life insurance, wherein the event that created the need for cash automatically matured the investment and produced the cash.

Life insurance financing accordingly was agreed upon; the contract to be purchased and owned by the hospital, premiums paid by it, proceeds paid to it. The estate would thus have the needed cash instead of the stock certificates and the hospital would then be able to resell the stock to an acceptable physician.

Actual Results

After 16 years of operation the plan is no longer theory and the actual results are as follows:

There were 33 physicians in the original group of stockholders, insured for a total of \$74,200. Of this amount, more than \$30,000 was on the lives of the three survivors of the original founding group who were 64, 58 and 48 respectively in 1930. The average age of the other 30 doctors was 41 years. To date there have been eight deaths, totaling \$15,490 in death claims, including full postmortem dividends paid by Northwestern Mutual. The deaths occurred, not among the founders, as might have been expected, but among younger stockholders. The stock purchased from the estates of these physicians was subsequently sold to seven new participants, so that there were 40 insurance contracts in force prior to 1946.

To date a total of \$45,013 has been

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A. B. A. Insurance Program Completed for October Meeting

**Bradley, Stone, Lackey
and Garrison Are
Featured Speakers**

The program of the insurance section of the American Bar Assn., which meets at Atlantic City Oct. 27-30 has been prepared by V. J. Skutt, general counsel of Mutual Benefit Health & Accident and United Benefit Life, and chairman of the insurance section of A.B.A. Mr. Skutt completed arrangements for the convention while enjoying his vacation at Lake Bemidji, Minn.

Arthur T. Vanderbilt, Newark, N. J., first chairman of the section and Henry S. Moser, general counsel of Allstate, last retiring chairman, will deliver the opening addresses.

General Omar Bradley, administrator of V.A., will speak on his administration the first morning.

Then there will be reports of the 13 standing committees, and two special committees. The two special committees are "Insurance Status" of which E. W. Sawyer, counsel of National Assn. of Insurance Brokers is chairman, and "Veterans Affairs," with Harry W. Colmery, president of Pioneer National, as chairman. These two committees were appointed this year to review the problems brought about by the S.E.U.A. decisions and veterans insurance problems following the war.

Committee Round Tables

The second day will be devoted to round table programs of the various committees. Full details on this meeting have not been completed.

That evening the annual dinner will have as guest speaker Governor Earl Warren of California.

A number of prominent speakers are slated for the third day.

William A. Patterson, president United Air Lines, will speak on "Aviation—Present and Future"; Commissioner Garrison of California will review "Insurance Supervision and Jurisdiction In Our Time," which will include a discussion of the Robertson and Benjamin decisions and the outlook of insurance jurisdiction and supervision from a commissioner's standpoint.

George Lackey, Detroit, co-chairman of the national conference of the National Assn. of Life Underwriters, will speak on relationship between a practicing lawyer and the insurance company and underwriters in the life field and E. C. Stone, U. S. manager and general counsel of Employers group will cover the same subject for fire and casualty companies. Mr. Lackey is general agent of Massachusetts Mutual.

Seek Chicago Meeting Place

Because of interruption resulting from the disastrous La Salle hotel fire, the Chicago Assn. of Life Underwriters, which makes its permanent headquarters in the hotel, has made plans to hold fall meetings of the association elsewhere in metropolitan Chicago.

Plans now in the making call for meetings at Midland hotel, among other places. The October meeting will be there.

In November the association will hold joint meeting with the Chicago C.L.U. chapter, but as yet the location of that meeting has not been arranged.

Best estimates are that the La Salle will again be available for association meetings some time after the first of next year.

NLRB Report Holds Phoenix Mutual Violated Labor Act

Terms Ordinary Agents Employees; Asks Reinstatement for Pair

In the NLRB case involving Phoenix Mutual and two agents, the intermediate report of the trial examiner goes against the company on all counts, finding that these ordinary agents are employees within the meaning of the national labor relations act, and that the company fired them for engaging in activities protected by the act.

A. Bruce Hunt, the trial examiner, who had heard the case in June in Chicago, recommended to the board that Phoenix Mutual offer to the two agents, Clarence M. Davis and W. Donald Johnson, immediate reinstatement to their former or substantially equivalent positions without prejudice to their seniority or other rights and privileges. He recommended that the company make whole the complainants for any loss of earnings and renewal commissions they may have suffered by reason of the company's discrimination against them, up until the time the company offers them reinstatement. He recommended that the company be restrained from discharging any of its employees or in any other manner coercing them in the exercise of the right of self-organization, to form or join, or assist labor organizations, to bargain collectively through representatives of their own choosing, or to engage in concerted activities for the purposes of collective bargaining or other mutual aid and protection as guaranteed by the act. He recommended that a form be posted in the Chicago-LaSalle agency which would acquaint all employees with the ruling in the case and with employees' rights under the act.

The trial examiner's report is a recommendation to the three man board to which the case is now automatically referred. Board rulings generally follow examiner's recommendations, but Phoenix Mutual may file exceptions to the intermediate report or argue orally before the board. The company's intentions are not known.

To Higher Courts

If the board rules against the company, Phoenix Mutual has the right to carry the case to the U. S. circuit court of appeals and then to the U. S. Supreme Court. The higher the case goes the stronger the precedent is set for cases of this sort. There are few cases of the higher courts reversing NLRB decisions.

Complainants in the case were two agents who had been with Phoenix Mutual for 16 and seven years respectively before their contracts were terminated by the company in September, 1944. The agents, who were both members at the time of the Chicago-LaSalle agency, alleged that they were fired because of their part in drawing up a letter to the home office asking for competent and permanent help in a cashier's department in their agency.

The complainants maintained their dismissal had worked an unusual hardship upon them and that they suffered substantial renewal penalties imposed upon them by the company. These penalties were outlined in contracts which they both originally signed. Both agents worked on a pure commission basis. Mr. Davis is now with Jamison & Phelps association agency of Northwestern Mutual and Mr. Johnson with the Swanson agency

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H. S. Bell Up for Reelection as N. A. L. U. Trustee

Hugh S. Bell, general agent at Seattle for Equitable of Iowa, will be a candidate for reelection as N.A.L.U. trustee. He has been a trustee for two years and is chairman of the general agents and managers section.



Hugh S. Bell

Mr. Bell received the C.L.U. designation in 1930 and is a past president of the Seattle chapter. He has been in great demand as a speaker at association gatherings. He is a past president of the Washington association and appeared on the National association programs in 1932 and 1943. His general agency in Seattle led all agencies of his company in 1945, with an average production per man of \$350,000.

In Seattle Since 1926

Mr. Bell has been with Equitable of Iowa during his entire business career, starting in Los Angeles in 1925 and having been general agent at Seattle since 1926.

Jenks Heads Atlanta C.L.U.

New officers of the Atlanta C.L.U. chapter are Emory Jenks, Pacific Mutual, president; W. M. Childs, Metropolitan, vice-president and Sam Rumph, Northwestern Mutual, secretary-treasurer.

At the August meeting George McWhitt, president, described the first C.L.U. institute at Storrs, Conn., which he attended.

Petric Launches Attack Following Ouster as President

Victor F. Pettric, who was ousted as president of Constitution Life of Los Angeles by Mayor H. McKinley of Utter-McKinley Mortuaries, is engaging in a publicity campaign against the McKinley interests and states that several hundred have formed a shareholders protective committee "to institute several suits." Mr. Pettric states that he has a seven year contract as general manager of Constitution Life and has been offered \$50,000 by the directors to break it.

"Let the records show that Pettric and his actuary would not sacrifice their ethical insurance ideals for sound insurance practices to a mortician's theories of funeral insurance," Pettric states in his literature. "No other question is involved . . . not one charge of any kind is made against Pettric's honesty, integrity, insurance expertness, or ability or character."

"Together," Mr. Pettric wrote in one message to shareholders, "we founded Constitution Life with high precepts of institutional integrity, sponsored by hundreds of religious-minded people and dedicated to righteous principles and ideals, and the writer urges that we always adhere to these objectives for our company."

Refers to Postal Union Merger

"In good faith we merged Postal Union Life, knowing it had been sadly mismanaged (five presidents in one year), had never paid dividends or profits, and was in financial difficulty . . . There were ample advantages to our company, and we believed that we had established ample safeguards, but were deceived."

Mr. Pettric went on to say that Mr.

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Life Companies in Accused Group Feel Skirts Are Clean

Resent Unfairness; Anti-Trust Suit Reported Based On Racial Discrimination

NEW YORK—Amazement, a sense of injustice, but no perceptible concern over the outcome appeared to be the reaction of life companies which are members of the Mortgage Conference of New York and which, along with the conference itself, were named as defendants in the Justice Department's anti-trust civil suit charging conspiracy to keep rents high, restrict new housing, eliminate competition for loans, fix uniform terms and uniform appraisal procedures and stabilize rents. The suit was reported in last week's issue, including the names of the nine life company defendants. The conference is made up largely of New York City savings and commercial banks.

The competition for loans is so intense that life company people who were queried by THE NATIONAL UNDERWRITER were at a loss to explain the Justice Department's allegations. They said that all their membership in the conference meant was that they received its regular quarterly bulletin giving mortgage loan data that is available from any county court house and is a matter of public record. The same information could be obtained by the company itself, though at considerably greater expense.

Many Loans Switched

The bulletin supplies information as to loans made during the previous quarter, showing sales, amount of loan, interest rate, and where it came from. A glance at a copy of the bulletin shows that many loans have been switched from one member to another, indicating in itself a high degree of competition. Life company members of the conference have found the bulletin useful but it is by no means vital to their operations. Even if the conference were forced to stop issuing it there is no doubt that the same information would continue to be furnished either commercially or on a cooperative basis. It is well settled in law that the furnishing of statistical information such as this does not violate the anti-trust laws unless it is used as a part or means of a conspiracy.

The Mortgage Conference of New York was organized in 1932-33 and at first was composed of savings banks. It was done at the behest of the state banking department, which had become concerned about the disorganized state of mortgage lending in the darkest days of the depression. Later on some life companies joined. Some of the largest commercial banks in the city also became members.

Speculate As to Genesis

In view of the current keen rivalry for mortgages, there is considerable curiosity as to why the Justice Department thought it had enough evidence to think a suit was warranted. The fact that the federal grand jury recommended such a suit is not viewed as very significant, as in a matter as involved and technical as this the Justice Department attorney can usually get the jury to agree to anything he really wants.

One of the allegations is that the defendants conspired to discriminate

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First Year Producers

The Penn Mutual records the progress of its first year underwriters by studying each in competition with all other first year producers who began in the same month of the year. The winners become members of the President's Club for New Organization.

A study of the latest quarterly group discloses that the eight champions of first year producers average the age of 44. This may seem surprising, since it could be taken for granted that the agency recruits of the past year would usually be war veteran returnees. But it proves that a strong pace is being set by underwriters not as young as the average war veteran.

Curiously, too, these good new salesmen of life insurance had not had previous sales experience in other fields.

One had been a professional athlete and another an athletic director, one a military academy teacher, one an industrial expeditor, one a newspaper circulation man, one a retail inspection man. Of the two who are women, one had been a registered nurse, the other, owner of a collection agency.

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THE PENN MUTUAL LIFE INSURANCE CO.

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Cal. Disability Payments Now May Start Dec. 1

Schedule Open Meeting at Sacramento Aug. 26 on Regulations

Administrators of the California unemployment disability compensation law plan to begin payments on or about Dec. 1, now that Congress has enacted a measure which will enable California to recover \$104 million from Washington for this purpose. HR 7037, which was analyzed in last week's edition, provides that states such as California with an unemployment disability compensation act may recover from the federal trust fund amounts accumulated from taxes on employee payroll (as distinguished

from employer payments) for unemployment benefits due exclusively to lack of a job.

Under section 403 of chapter 81, the California disability law, it is provided that in the event worker contributions collected under the act during the calendar years 1944 and 1945 may be withdrawn and expended for California disability purposes, then "benefits shall become payable on and after 90 days from such determination."

Voluntary Plans Starting Time

The same "starting time" is provided for voluntary plans under section 455 which provides:

"From and after the effective date on which disability benefits become payable under section 403 of this act, neither an employee covered by an approved voluntary plan nor his employer is liable for the contribution required by sections 44, 44.2 or 400 of this act with respect to wages paid by the employer for employment, and such an employee is not entitled to benefits from the disability fund while he is covered by the voluntary plan."

Had this fund of \$104 million not been made available, payments under the California disability act would not have commenced until April 1, 1947.

A good many insurance companies, (CONTINUED ON PAGE 17)

Consumer Credit Cover Lively Field

Companies Explore New Possibilities as Business Increases

NEW YORK—Consumer credit on personal, automobile, and modernization loans has become very active since the war. As more goods become available, the volume of the business may exceed the big pre-war year of 1941. Reducing term life insurance written in connection with such credit is, those in the field believe, becoming even more widely used than formerly.

The consumer credit field is a big one. In 1941 one organization alone did a \$600 million business of this kind.

The life companies do not write the "small loan" companies as such, though some of the larger concerns have subsidiaries of this type that are included in the insurance service.

Group Insurance Principle

The business follows the group insurance principle. Each group has its own peculiarities, although if as large a group as 10,000 buy automobiles, the loss ratio as between that group and a similar one would be about the same. The smaller the group the more peculiarities it has. The companies writing the business run into trouble when they take a small case and get a minimum premium. One death will throw the experience violently out of line.

In general, the average per thousand of accounts is six deaths a year. There is a certain amount of selection against the company because older persons are more apt to get credit and to get more credit than younger ones. A credit of \$1,000 may be extended to a man 40 years old, but not to one 20 years old. Thus the credit rating of the buyer improves with age but the mortality doesn't. As a matter of fact, the credit risk on such loans is very low. The average man is pretty honest. He will try to pay it back. This is particularly true of wage-earners and people in the lower salaried field.

Although occasionally there is resistance on the part of the borrower toward the idea of a slight charge for life insurance protection of a loan, the life insurance has been an answer to one criticism of banks and finance companies, that they run people into debt.

The typical buyer with limited means is the one whose family appreciates this kind of windfall. One organization that writes a considerable amount of the business detailed four recent claims. In one case no payment on a loan of \$1,053 had been made when the buyer died. His family objected at the time the loan was made because of the charge for life insurance. Another loan of \$1,031 was paid off by the life company when the man died two weeks after the loan was made. Such persons buy on time. In effect they pay rent out of income for the use of commodities they cannot otherwise afford.

The companies that write the business are exploring new fields where the same principle can be applied.

Prudential is one of the large operators in the field and one of the companies that developed the idea of consumer credit insurance. It has a slogan it uses, "No debt should live longer than the man who created it."

Mutual Life Buys Notes

Mutual Life has bought \$2,500,000 of 3% junior notes, due in 1953, of Associates Investment Co., South Bend, Ind., and has contracted to buy \$7,500,000 more of such notes in the future. Proceeds are to be used to take care of an increased volume of finance business.

Young Okla. Commissioner Has Good Election Chance

Twenty-six year old Donald F. Dickey, who recently was appointed



D. F. Dickey

Oklahoma insurance commissioner following the death of the late Jess Read, is the Democratic nominee for the post in the fall election. He was designated by the state central committee as its candidate, and election is all but a foregone conclusion. The Weatherford, Okla., former marine was named by Governor Kerr at the suggestion of Roy S. Turner, Democratic gubernatorial nominee.

Mr. Dickey lost an arm in combat with the Fourth Marine division in the Pacific. He has had little insurance experience which mainly has consisted of agency work with his father, J. O. Dickey, who purchased a Weatherford agency last October.



LIFE INSURANCE — AN INVESTMENT

People are prone to think of life insurance as "a good thing, but a not-so-good investment", and even a large number of underwriters entertain this delusion. The simple fact is that life insurance is a superlatively fine investment, a fact which becomes patently apparent when seen from the proper viewpoint.

We conventionally think of life insurance as something to be bought on instalment, and since we rarely think of it in terms of outright purchase, we almost invariably fail to differentiate between the cash purchase price of this property and the carrying charge incident to instalment purchase.

When this distinction is made (as it invariably is when we think of the instalment purchase of a house or an automobile), we find that the return per dollar invested compares most favorably with the return on any other investment of comparable security—with life insurance benefits added, which no other investment can offer.

Insurance In Force, June 30, 1946—\$287,536,545

COMMONWEALTH
LIFE INSURANCE COMPANY
LOUISVILLE • MORTON BOYD, President



★ **ALMOST THE GREATEST SERVICE A LIFE UNDERWRITER CAN RENDER TODAY IS TO SELL ALL THE MORTGAGE INSURANCE HE POSSIBLY CAN SELL.**

THE DESPERATE HOUSING SHORTAGE makes it almost imperative that a father provide the money to finance the mortgage in the event of his death.

I CAN THINK OF FEW SITUATIONS MORE DIFFICULT than the plight of a family which finds that there isn't enough money (1) to meet the mortgage payments and (2) to keep the family going.

PROBABLY THE WIDOW WILL MAKE A FRANTIC EFFORT to get along for a time, perhaps even going to work herself and thus forfeiting her S. S. benefits, eventually discovering that it can't be done—and then trade the roof over her head for the few dollars the equity will bring.

NOTHING COULD BE MORE TIMELY OR OF GREATER INSTANT APPEAL THAN A MORTGAGE INSURANCE DRIVE AND WE HAVE A SPECIALLY PREPARED WORKBOOK ON MORTGAGE INSURANCE WE WILL BE GLAD TO SEND YOU WITH OUR COMPLIMENTS.



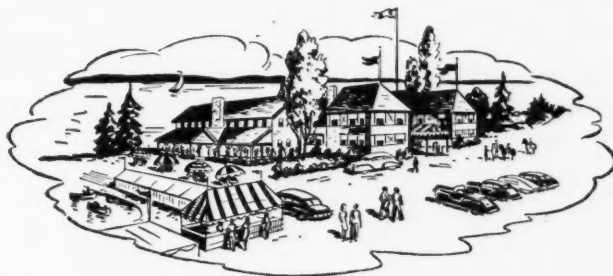
PAUL SPEICHER
Managing Editor

THE INSURANCE RESEARCH & REVIEW SERVICE
INDIANAPOLIS

These Outstanding members of the Field Force have been invited to attend

THE OHIO NATIONAL CONVENTION at BREEZY POINT LODGE, PEQUOT LAKES, MINNESOTA

AUGUST 5, 6, 7, 8, 9 and 10



Because of their achievements in life underwriting and civil leadership, they have added prestige to their community and the company and deserve this period of relaxation.

★
Moritz Aabel
Frank Adamske
Leopold Alexander
L. C. Andersen
D. H. Anderson
R. J. Andrews
E. J. Armogida
S. C. Baber
W. W. Bassett
E. Travis Bley
S. S. Bliss
E. T. Bogan
A. S. Brennan
L. R. Brennan
H. C. Brogan
G. P. Brogan
W. H. Brokaw
Don D. Brown
B. C. Butler
W. B. Campbell
John B. Carlin
Guy Chiesman
J. Robert Cole
E. L. Cook
H. C. Coutret
O. Z. Crane
C. F. Cutshall
E. R. Darby
P. G. Davis
W. E. Deakins
S. H. De Lisle
J. K. Eby
Webb Evans

★
V. J. Feeheley
Lawrence France
C. B. Gallas
P. E. Garrett
N. E. Glassbrook
K. W. Grigsby
R. J. Grumbine
L. E. Harris
Edgar Helmkamp
Ivan E. Helmkamp
G. C. Hill
H. C. Hill
D. A. Hogg
C. A. S. Hollinger
L. A. Hopkins
D. D. Husband
A. J. Isaac
C. H. Kahn
J. S. Kessler
C. J. Klitgaard
F. E. Kramer
T. Ray Kring
George Kristy
R. C. Lieber
H. R. Lindenberger
H. L. Liskey
R. H. Liskey
F. A. McMaster
C. F. Marsh
R. D. Martin
R. G. Mathews
P. W. Mayfield
T. J. Miller

★
E. W. Millholland
J. W. Millholland
L. G. Milnes
C. T. Mitchell
R. H. Moore
R. T. Moore
J. M. Morgan
N. J. Nathanson
E. W. Neiser
R. G. Nixon
E. J. Noble
G. A. Nordstrom
David Ochsmann
Dennis Organ
T. R. Pearson
Albin Peltz
W. S. Phelps
H. W. Piotrowski
W. M. Polangin
L. W. Pownall
H. M. Price
Waldo Rasmann
L. C. Rider
V. H. Rivet
Henry Royer
V. E. Rouse
E. W. Ruehle
E. E. Salisbury
E. F. Scheibel
D. J. Schiltz
E. Schmidt
H. A. Schneider
H. C. Seal

★
E. B. Seidel
G. S. Severance
C. G. Shacklett
O. E. Shacklett
R. O. Shacklett
L. J. Sherman
J. T. Simpson
M. A. Smith
E. E. Stevens
T. W. Strange
W. M. Straw
L. A. Stull
F. W. Sueppel
G. H. Sweeney
V. E. Templeton
A. M. Thorson
C. W. Tompkins
E. R. Tonkel
N. J. Tschantz
I. M. Turner
A. J. Ullman
J. P. Ullman
W. S. Vicory
George Wade
K. B. Wade
Hobie Ward
G. W. Weitzel
C. A. Whelan
A. L. White
L. A. Wood
R. M. Woolford
R. A. Zimmer

THE OHIO NATIONAL LIFE INSURANCE COMPANY

CINCINNATI, OHIO

T. W. APPLEBY, PRES.

Dineen Aid Goes to Oklahoma on N.A.I.C. Mission

NEW YORK—Thomas C. Morrill, assistant to Superintendent Dineen of New York, has gone to Oklahoma City to confer with Miss Lucy Conaway, former secretary to the late Jess G. Read, who was Oklahoma commissioner and long-time secretary of the National Assn. of Insurance Commissioners. Mr. Morrill will discuss with Miss Conaway, who is acting secretary of N.A.I.C. pending appointment of a successor to Mr. Read at the executive committee meeting next month in Syracuse, the details involved in both the secretary's post and the work of the examinations committee, of which Mr. Read was chairman for many years, and make a report to the executive committee on the procedural matters and any problems that may exist.

Objective Is Told

One of Mr. Morrill's objectives will be to bring back data which will enable the executive committee to determine whether it is necessary for the secretary

to act as examinations committee chairman. This report will be made available to the N.A.I.C. executive committee at its meeting at Mr. Dineen's home town of Syracuse Sept 4-6.

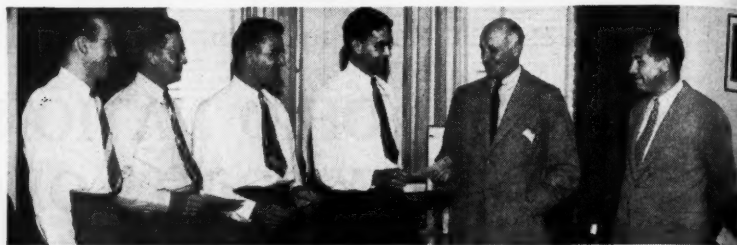
In connection with the appointment of an interim successor to the late Jess Read of Oklahoma as N.A.I.C. secretary, the executive committee at its Syracuse meeting faces the problem of determining whether it is necessary to have the secretary act as permanent chairman of the committee on examinations. A resolution at the N.A.I.C. convention at Louisville in 1921 provided that the secretary should head the examinations committee. However, the constitution and by-laws which prescribe the basic rules and standing committees, vest in the president the power of appointment of standing committees. Hence the question as to whether the 1921 resolution is binding will be explored.

Houlihan Mutual Benefit General Agent at Flint

M. James Houlihan has been appointed general agent for Mutual Benefit Life at Flint. He succeeds H. Bruce Palmer, who is now superintendent of agencies.

Mr. Houlihan joined Mutual Benefit

Rewards for Actuarial Progress



A. J. McAndless, president of Lincoln National Life, here presents checks to employees who successfully completed 1946 examinations of American Institute of Actuaries and Actuarial Society of America. Left to right: John Williams, Walter Steffen, George Varga, Samuel Adams, Mr. McAndless, and R. G. Stagg, second vice-president and actuary.

Mr. Adams and Mr. Varga earned fellowships in the two societies. Mary Cusic, who also completed one of the examinations this year, is absent from photo.

at Flint last February following release as a coast guard lieutenant commander. He has had 20 years of sales and sales training experience. Mr. Houlihan was born in Saginaw and attended schools there.

Passes '45 Record in 7 Months of '46

In seven months and 12 days of 1946, paid life insurance of Penn Mutual Life has exceeded the total business for the entire year of 1945. In that period new paid insurance passed the 1945 total of \$153,677,253. This breaks all previous company records and makes Penn Mutual one of the first companies to cross the line of last year's business.

The number of new policies issued totaled nearly 30,000 compared with 18,887 for the same period of 1945.

New business in July totaled \$20,930,293 compared with \$11,008,130 last July, an increase of 90.1%.

Returned veteran agents now getting into full swing wrote a total of \$16,288,489 in the first six months of 1946, representing 13.5% of the total half-year production.

The average individual insurance purchase showed a sharp increase to \$5,019 compared with an average of \$4,503 in the same period last year.

A continued increase is shown in the number of policies written on women and children which combined represented approximately 35% of all policies written and 16% of the total volume. More than 26% of all policies and 11% of company business was written on women while coverage on juveniles represented 15% of all policies and 7% of the total volume.

L.I.A.M.A. Names Lynch Press Relations Supervisor

Donald E. Lynch, former Washington correspondent of Gannett Newspapers, has been named press relations supervisor of the Life Insurance Agency Management Assn. Mr. Lynch will coordinate public relations activities and press relations with trade magazines and newspapers and will work on various editorial and promotional projects of L.I.A.M.A.

He is a graduate of Marquette University and has been Associated Press editor in Denver and Nashville and a feature writer for the Chicago "Sun."

Trusted Plan Not Insurance

The Ohio insurance laws are not applicable to a trusted employee benefit plan set up by a group of employers in consonance with a collective bargaining agreement and with the employers making the entire contribution according to Attorney-General Jenkins in an opinion to Superintendent Dressel.

The funds provide sick benefits, aid in securing medical advice, contribute to vacation benefits and offer certain group insurance.

Two essential elements are lacking to make the contract one of insurance, the attorney general stated. Those are loss distribution among a group of persons bearing similar risks and a ratable contribution by this group.

*The Machine with
1,000,000
Dependents*



Every day this amazing little machine places official Prudential signatures on thousands of checks. There are annuity checks, income checks, dividend and interest checks—each one representing the punctual payment of some Prudential life insurance benefit.

This device is only one of the means that Prudential uses in its never-ending effort to pay *every* obligation with the greatest possible speed. It is a link—even though a small link—in the chain of Prudential service to its millions of policyholders.

Prudential agents and brokers have learned what this concept of service means to clients.

THE PRUDENTIAL
A MUTUAL LIFE INSURANCE COMPANY



**INSURANCE COMPANY
OF AMERICA**
HOME OFFICE . . . NEWARK, N. J.

Joseph Thompson Named Travelers Supt. of Agencies

Joseph Thompson, formerly assistant superintendent of agencies, has been named superintendent of agencies of Travelers.



Joseph Thompson

Rice L. Pendleton, who for the past four years has been manager at Richmond, becomes assistant superintendent of agencies, with headquarters at the home office.

E. Roland Evans, who has been serving as manager at Sioux City, Ia., goes to Hartford

as agency assistant.

Trygve O. Runsvold, assistant manager at Minneapolis office becomes manager at Sioux City.

T. Shad Medlin, who has been assigned to Kansas City as assistant manager since he was released from the navy in 1945, has been appointed manager at Richmond.

Mr. Thompson, a graduate of the naval academy, joined Travelers in 1932, serving first as a field assistant at Portland, Me. In 1939, while affiliated with a general agency at Boston, he was the leading producer of life insurance. The following year he was made manager at Portland and in 1941 he became manager of the 42nd Street office at New York. In 1945 he was brought into the home office as assistant superintendent of agencies.

Mr. Pendleton attended University of Missouri. He joined Travelers in 1929, as a field assistant at Kansas City. He was appointed assistant manager at Kansas City in 1935, manager at Worcester 1938, and manager at Richmond in 1942.

Mr. Evans was graduated from the University of Iowa in 1931. Following several years insurance experience he joined Travelers in 1939 as a field assistant at Des Moines office. He was made assistant manager at Des Moines in 1943, and manager at Sioux City in 1945.

Mr. Runsvold was educated at Concordia College, Moorhead, Minn. He represented First Bank Stock Corp. of Minnesota prior to becoming an agent for Travelers at Graceville, Minn. He was employed as a field assistant in 1943 at Minneapolis and was made assistant manager in 1945.

Mr. Medlin was graduated from William Jewell College and later took post-graduate work at University of Texas. He joined Travelers as a field assistant at Little Rock in 1937. He was appointed assistant manager there in 1940 and manager in 1941. He served in the navy from 1942 until his discharge as a lieutenant commander in October, 1945.

Put Ceiling on Training Benefits

Insurance offices that have a GI training on-the-job program or operate a full time training facility under the GI bill are awaiting with much interest the regulations issued by veterans administration to give effect to the bill now signed by President Truman which, among other things, sets a total income (learner pay plus GI bill subsistence) of \$175 a month for a single GI, and \$200 a month for a veteran with dependents and cuts the maximum training period from four years to two.

Particular interest will be taken in whether this limitation shall be applied retroactively. There are many veterans receiving a total of more than \$175 or \$200 a month.

SAMOSET

Rockland Breakwater, Me.

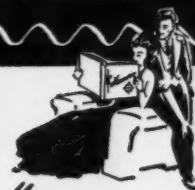
June and September — Groups to 300 — This is Maine's premier resort. On beautiful Penobscot Bay at Rockland Breakwater, 400-acre estate — mountains, lakes, heated salt water pool, ocean bathing, golf, hunting, riding — dancing, entertainment, famous sea food.

P. R E S T O N

Swampscott, Mass.

June and September — Groups to 300 — Private ocean beach, golf, tennis, riding, many other sports, superb cuisine — outdoor dining terraces. Massachusetts' exclusive north shore resort — a family favorite. Quickly accessible from all points in northern U. S. A.

"MEMORY BOOK" CONVENTIONS at "New England's Finest"



If your group is 300 or smaller, and if you can meet in June or September, The SAMOSET in Maine and The PRESTON in Massachusetts will be available. They are widely acknowledged New England's finest resort hotels. Both are famous for supremely beautiful oceanfront settings. Both are renowned for superior food, entertainment, appointments, service, sports and meeting facilities — and for a long-established tradition of old-fashioned New England hospitality.

Whichever hotel you choose, the central Convention Bureau of the Samoset and Preston and their affiliated

hotels will take a long, strong step toward making your meeting an outstanding success. Staffed by specialists, the Bureau will render skilled assistance with entertainment programs, attendance promotion, publicity, banquets, special parties — all phases of convention planning and service. Through careful adjustment of the superlative facilities of either hotel to the individual requirements of your organization, we will help you produce a truly memorable meeting — a real "Memory Book" convention! May we give you details?

OSCAR T. JOHNSON, Executive Vice President

ADDRESS INQUIRIES FOR ALL HOTELS TO "CONVENTION BUREAU," WHITEHALL, PALM BEACH, FLORIDA

WHITEHALL

WHITEHALL—Spring and Fall—Groups to 500 —One of the world's truly magnificent resort establishments. Rates include privileges of exclusive Palm Beach Country Club, Palm Beach Sun and Surf Club.

GROVE PARK INN—All year—Groups to 200—"Showplace" built of massive boulders, 2,500 feet up in the cool, ozoned air of western North Carolina. Adjoins Asheville C. C. golf course—four others nearby. Swimming pool, tennis, badminton. Excellent stables, bridle paths.



GROVE PARK INN

ABOVE ASHEVILLE, N. C.

Value of Highly Touted Heart Tester Is Doubted

Development by Temple University medical school of the electrokymograph, though described in Associated Press dispatches as a "revolutionary device which will permit physicians to detect heart disease in its early stages," will mean virtually nothing either in life insurance selection procedures or in improving life insurance mortality through permitting earlier diagnosis and treatment of heart ailments, according to life company heart experts.

Refinement of Procedures

One doctor said the new device is merely a refinement of existing procedures and that the additional accuracy obtainable is of little significance. A kymograph is a device for measuring the difference in outline of the heart as it expands and contracts during its pumping cycle. This can be done by taking successive photographs of the heart's shadow on a fluoroscope in such a way that a grid arrangement is super-

imposed and differences in size can be determined as if the photograph were on squared paper.

The Temple University electrokymograph also casts the heart's shadow on a fluorescent screen but uses a photoelectric cell to record variations in light intensity as a limited portion of the outline of the heart's shadow on which the cell is focused expands and contracts. The greater the expansion, the less light reaches the electric eye from that area and these variations are recorded on a tape. The eye can be aimed at whatever portion of the heart shadow outline it is desired to study.

While the heart's shadow can be seen visually on the fluorescent screen it is sometimes important to know accurately how much one part or another of the heart expands during its cycle. Too great an expansion, particularly in certain sections, may indicate serious impairment.

Hall to Monarch Investment Co.

Kenneth D. Hall, former assistant to the mortgage loan supervisor of Metropolitan Life in New York, who began his work with the company in 1934 on the west coast, has been elected vice-president and treasurer of the Monarch Investment Co. of Wichita.

Ex-Wife Gets the Proceeds

A divorced wife, by a decision of the U. S. 8th circuit court of appeals, is entitled to the proceeds of a policy, even though the insured had changed the beneficiary from her to his estate at the time of making a loan on the contract with a bank. The ex-wife, it was held, had acquired a vested interest in the policy because the assured took out the policy originally in consideration of a financial obligation to his wife, because the insured reiterated to different persons that he had taken out the policy for her benefit and he stated to her lawyer in her presence that she had the insurance and he later wrote her a letter assuring her that the insurance was hers.

The case was Caroline Thomson vs. Freeman J. Thomson, Adm.

Arthur W. Thomson, the assured, took out a \$20,000 policy in 1938 with John Hancock. He and Caroline Thomson were in business together as itinerant photographers. Thomson, the court stated, appeared to have been a periodic drinker and would spend large sums of money when on spree. It was brought

out that Thomson had spent all the money earned by joint efforts of him and his wife and that he took out the life insurance policy as payment for her services. In 1940 Thomson made a loan on the policy with Home Bank & Trust Co. of Kansas City. In so doing, it was necessary to change the beneficiary to his estate. The Thomsons were divorced in 1944 at Waukegan, Ill., and he died a few months later.

The assignment of the policy to the bank and the nomination of the new beneficiary, the court stated, although absolute in form, were in fact made for the sole purpose of securing the loan. The purpose of the change of beneficiary having been accomplished and the loan paid, in equity the original beneficiary should have been restored and this was manifestly the thought of the insured.

There was no mention made of the insurance until after the contract of settlement was signed, and no mention was made of it in the decree of divorce. The court stated it is clear that the parties did not intend, in the contract, to take from Caroline Thomson her interest in the insurance.

Savings Bank Life Buyers Not Prospected by Agents

Evidence that savings bank life insurance is purchased primarily by a section of the public which is not being actively cultivated by life insurance agents is shown in preliminary results of a recent survey by the Savings Bank Life Insurance Council of Massachusetts.

In response to the question: "How recently have you been interviewed by a life insurance agent?" approximately one in five said "never," and 53.1% had not been interviewed within the last year. An additional 21.8% had not been interviewed within six months.

The survey was conducted by mail among 5,000 recent adult purchasers of savings bank life insurance and preliminary tabulations were based on the first 840 replies.

Because the savings bank plan differs from that of most insurance companies in that policies are purchased over the counter, one purpose of the study was to determine to what extent solicitation for other types of life insurance is reflected in the issue of savings bank policies.

Of the 641 persons who reported that they had been interviewed at some time by life insurance agents, 533 said that their decision to buy new insurance had not been the result of the interview. Including the 161 persons who had never been interviewed, a total of 86.7% indicated that they bought their policies on their own initiative.

Low Cost Biggest Attraction

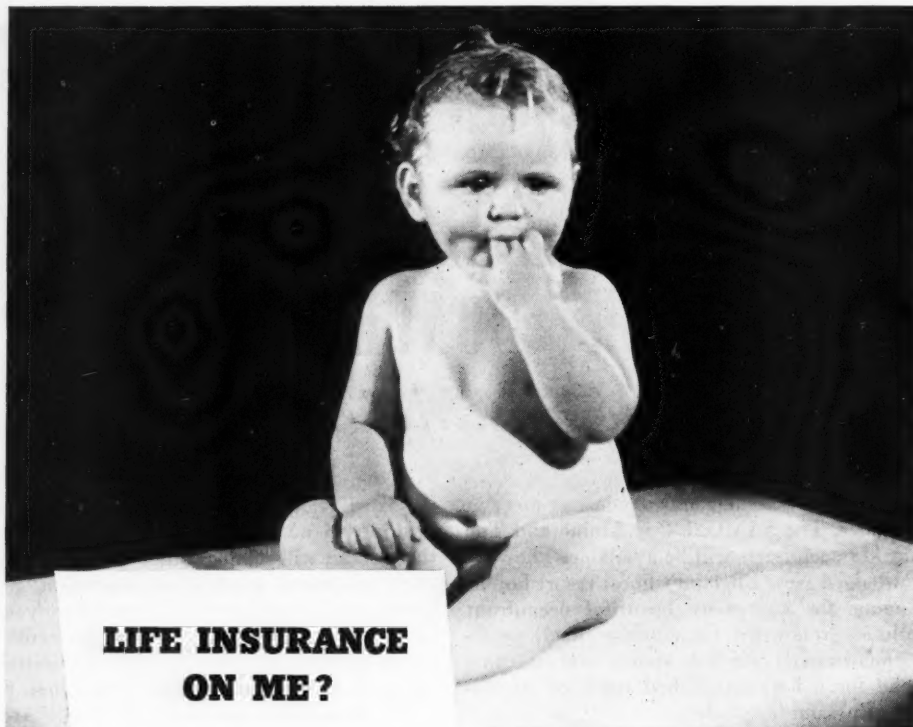
Policyholders were asked to rank four features of savings bank life insurance in order of importance in their decision to buy. Nearly three out of four gave first place to "lowest cost." Absence of "sales pressure" was first with 14.2% and second with 36.5% more.

The survey also showed that savings bank insurance is an important source of new contacts for the banks, with nearly half the policyholders reporting that they did not have a savings account at the bank where they bought their insurance.

Clyde S. Casady, executive vice-president of the Savings Bank Life Insurance Council of Massachusetts, said that the study proved that savings banks are developing their own markets for life insurance, which to a large extent are supplementary with, rather than actively competitive with, those of other life insurance organizations.

During the last four months more savings bank insurance has been issued than for any corresponding period since 1907. The low cost of savings bank insurance, made possible by over the counter distribution, has an increasing appeal, particularly in those groups which are evidently not being actively cultivated by others, Mr. Casady declared.

Write more accident business by subscribing to The Accident & Health Review, \$2 a year, 175 W. Jackson Blvd., Chicago.



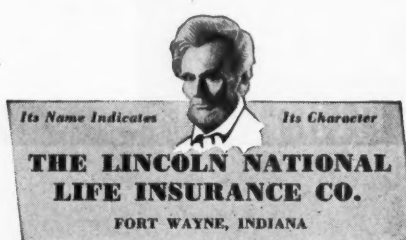
LIFE INSURANCE ON ME?

Yes, young man, daddy has started early your financial career through a Lincoln National Juvenile policy. You are assured of funds for college or a start in life, whether daddy lives to make the deposits or not.

dowment at 65 and the popular 20 Year endowment, and 20 premiums plans. Insurable ages — 1 day to 14 years. Payor benefit written on all contracts.

LNL representatives serve the public in 43 of the 48 states, Hawaii, Philippines, Canal Zone, and Puerto Rico.

Lincoln National's juvenile contracts include Educational endowments, the en-



Petric Launches Attack After Ouster as President

(CONTINUED FROM PAGE 3)

McKinley got control of the company by bringing about changes in the by-laws, creating the new office of chairman for himself. Thereafter he instructed Mr. Petric "to refrain from transacting any business for or on behalf of the company."

Mr. Petric states that Mr. McKinley then installed as officers, members of his former Postal Union organization and this Mr. Petric said was done after Mr. Petric had reported "remarkable success for 1945 with operating profits of \$145,639 . . . equal to shareholders' dividends of 48.54% . . . proving large profits. Petric recommended 20% dividend."

Mr. Petric goes on to denounce Mr. McKinley's operations in the undertaking field. He said after he became interested in Constitution Life, Mr. McKinley demanded "unreasonable funeral insurance."

Department Objects

"Col. Petric," the message went on, "tried to cooperate, prepared 14 special burial policies, arranged a 25 year agency contract with Utter-McKinley Mortuaries, but the insurance department refused them a license, holding that the life insurance business must not be subordinated to the funeral business."

Mr. Petric stated that he antagonized Mr. McKinley when Mr. McKinley's salesman offered \$247 funeral for a \$200 policy, \$387 funeral for a \$300 policy, \$1,295 for a \$975 policy provided Utter-McKinley was named as mortuary.

Mr. Petric stated that Mr. McKinley made radio deals for "leads" up to age 85 and without the usual safeguards, and Mr. Petric opposed such practice. Mr. Petric states that the old Postal Union vice-presidents that he removed had been "gunning" for him.

"Insults and humiliations have been heaped on Col. Petric, the founder and president," the message states, "in an effort to break Petric's seven year contract as general manager. McKinley took Petric's secretary and moved her equipment without a word . . . moved president's suite into a single rear room, 10 ft. above the garbage cans of restaurant and medical clinic disposal, etc. . . . Abuse accepted on advice of counsel despite humiliation and degrading acts . . . now recorded in dozens of exhibits."

"There is a definite cleavage between the undertaker's interest in dead people, and the insurance company's interest in living people," Mr. Petric states. "Families try to ring in the desperately ill to get a cheap funeral . . . that the insurance company could not stay in business insuring the near dead. Col. Petric could not abandon sound underwriting principles or permit the company to be undermined."

Nylic Termination Issue to U. S. Supreme Court

WASHINGTON — Petitioning the U. S. Supreme Court for writ of certiorari to the ninth circuit court, F. C. Moser complains that New York Life's termination of his agency agreement, allegedly without just cause and legally indefensible, did not cancel his senior Nylic contract.

Moser, a resident of Washington state, quotes a 1910 agreement with the company in which he applied for membership in Nylic and promised to devote all his time, talents and energies to soliciting business for the company.

Moser indicates he served his 20 years as qualifying Nylic agent. Nylic agency contracts, subject to change from time to time, were terminable on 30 days' notice, but Moser asserts the master Nylic contract was never changed. After becoming a senior Nylic agent (after 20 years), he asserts termination of an agency agreement by the company could not affect his senior Nylic membership. For 15 years prior to his discharge by

the company, in 1936, the Moser petition says, he had earned \$28,500 a year, average, and he prayed for damages in suing the company, amounting to \$485,864, representing the above annual rate of compensation during the remaining expectancy years of the Nylic contract.

On company motion the trial court dismissed cause of action on the ground either party could terminate the agreement on 30 days' notice; that a senior Nylic agent does not have to be an agent for life with permanent employment; that Moser had exchanged his right to a life agency by accepting the

terminable agreement agency. This was affirmed by the circuit court, but Moser denies the life agency was terminated.

Petitioner argues that cancellation of an agency agreement with Moser did not terminate his right to employment and that he never exchanged his senior Nylic agency right of employment for a terminable agency at a higher compensation.

Petitioner says that \$354.89 monthly senior Nylic payments to him from the company is the amount ascertained by the company's actuary as deferred renewal commissions withheld by the

company during his 20-year period and later distributed to him as a senior Nylic during his life expectancy.

O'Donnell Equitable of Ia. Buffalo General Agent

Allen O'Donnell has been appointed general agent in Buffalo for Equitable Life of Iowa. He was formerly manager of the brokerage department in New York City. Mr. O'Donnell succeeds A. L. Paine, who will serve as a special agent in the Buffalo office.



N. J. WOODLAND
Baton Rouge, La.



D. L. MYRICK
Life Member
Lake Charles, La.



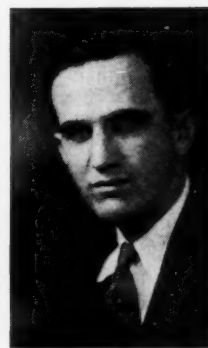
H. R. GROBE
Houston, Texas



A. C. DECKER, JR.
Shreveport, La.



J. PERRY MOORE
Houston, Texas



C. W. MURRAY
Huntsville, Texas



OTTO ZOELLER
San Antonio, Texas

Our 7 Millionaires

We are proud to present these seven Great Southerners who are currently qualified members of the Million Dollar Round Table. Our sincerest congratulations to each of you.

Your success is a tribute to your capability as life underwriters, a testimonial to your knowledge of life insurance and sincerity in presenting its benefits to your prospects. It is gratifying to us to have this number of representatives as members of this most distinguished organization.

The Great Southern pursues a definite program in helping its representatives attain success in life insurance selling. Company insistence on adequate career preparation patterns the Company training program which gives its men and women a comprehensive understanding of life insurance and life underwriting. Company assistance and cooperation is directly to the individual, a personalized aid in helping to build successful life insurance careers as Great Southerners.



GREAT SOUTHERN
Life
INSURANCE COMPANY
HOME OFFICE HOUSTON 1, TEXAS

EDITORIAL COMMENT

Side Door Approach

State health insurance is in a fair way to being introduced in this country by flank attack. While attention is directed at the well publicized Wagner, Murray, Dingell bill in Congress, which has not made headway, some of its purposes are being accomplished by side door entrances, and if this keeps up the W-M-D bill advocates may before long be in a position to tell their adversaries to turn around and see that the goblins are already here.

There is for instance the amendments to the railroad unemployment compensation act that provides \$25 a week for 26 weeks to railroad workers and employees in allied lines for unemployment occasioned by accident or sickness. This bill, regarded as a cold potato, was enacted in surprising fashion in the closing days of the 79th Congress by skilful maneuvering on the part of Senate majority leader Barkley.

Then there was the amendment to the social security act, also getting by at the last moment without fanfare, that provides for the turning over of accumulated taxes paid by employees for unemployment insurance to those states that enact unemployment disability compensation measures. California and Rhode Island already have such plans. This is an invitation to New Jersey and Alabama to follow suit, as they are the other two states that currently tax employee as well as employer for unemployment insurance. If those two states

do so, it will mean that in four states there will be a form of state health insurance. That will comprise much potential pressure on other states to set up something similar. The snowball will be started downhill.

Then there was the amendment to the National Service Life Insurance act, another last minute enactment, permitting veterans to add disability insurance to their government life insurance in the amount of \$5 per month benefit per \$1,000 of life insurance.

Veterans administration, it is said, was opposed to this departure but gave in to the various veterans organizations that have been pressing for many liberalizing features.

The citizenry in general is not cognizant of these piece meal approaches to state health insurance. Even the rank and file of railroad men didn't know what was being handed to them in this direction.

When it comes to meeting squarely the issue of state health insurance as presented by the Wagner, Murray, Dingell bill, the people through Congress have not given an affirmative answer. This is a battle that should be fought in the open, with full publicity and argument. The country should not unwittingly become immersed by degrees in such a system. At least it should be apprised of the significance of these piece meal steps that are being taken and where they may lead.

Limiting the Choice of N.A.L.U. Leaders

Recent suggestions for limiting the present free choice in electing officers and trustees of the National Assn. of Life Underwriters, however reasonable they may sound, must be viewed in the light of the best long-run interests of the association. The question is: Would they tend to foster the obtaining of the 17 best men in the business to guide the organization's affairs?

The N.A.L.U. is an organization of field men. Some are soliciting agents, some are supervisors, and others are heads of agencies. When a man is elected a trustee or an officer of the association he should be chosen on the basis of his ability and his devotion to the cause of field men. If there were any thought that a nominee would use the influence of his office to advance the special interests of the soliciting agent, the supervisor or the general agent—whichever group he belonged to—the

members would certainly not elect him.

The powers given the five officers and 12 trustees of the N.A.L.U. are about as broad a grant of powers as are to be found in any business organization. They have the right—though they would certainly not exercise it capriciously—to override the recommendations of the national council. As the voice of more than 45,000 members the N.A.L.U. has a standing which is constantly becoming more representative of the entire life insurance field organization. Hence, it is extremely desirable that men elected as trustees or officers be men who will represent the field as a whole and not merely the particular category to which he belongs.

One thing that must be remembered is that conditions vary from one period to another as respects the best material available. In some years there may be an exceptionally well qualified group

of soliciting agents from whom to select N.A.L.U. leaders. In another year, the pickings may be better among the general agent group. It may well be in some years that a soliciting agent will prefer some general agent who is exceptionally qualified to any of the available choices in the soliciting agent group. Another time the general agent members may feel the same way about some rising star in the soliciting agents' ranks. It must be borne in mind, too, that frequently soliciting agents become general agents or managers in the course of holding an association office.

Not the least important point to be considered in any move to limit the right to elect trustees and officers is the fact that desirability as a National association leader means more than in-

telligence, industry, good will, even brilliance. It means experience. The value of experience in serving in the various local and state association offices has abundantly proved itself in the N.A.L.U. and the lack of it has sometimes kept an able man from doing the type of work which experience would have enabled him to perform. A limitation which would keep the N.A.L.U. membership from picking experienced leaders no matter what position in the field they might happen to hold might remove the benefit of needed experience in some situations.

Any limitation on the choice of N.A.L.U. members to select as trustees or officers any of their members whom they believe worthy has the burden of proof heavily upon it.

PERSONAL SIDE OF THE BUSINESS

Hugh O. Maclellan, assistant secretary of Provident Life & Accident, has been elected president of the Chattanooga Safety Council.

Andrew Crosby, Jr., who resigned as assistant insurance commissioner of Oklahoma to enter the army, has received his discharge as a captain and opened a law office in Lawton, Okla. He saw service in the field artillery in the European theater.

C. Stanley Price, who joined the unit of Col. R. H. Durkee of the San Antonio agency of Equitable Society last January, without previous experience, wrote \$99,378 in July, which gave him a total of \$243,296 to July 31.

Kennedy Dodds, who left the San Antonio agency of Union Central Life to enter the air corps as a private and who received his discharge as a major, returned to life insurance work July 1 and wrote and paid for more than \$100,000 his first month.

Roy L. Davis of Chicago, manager of the Chicago department of the Assn. of Casualty & Surety Executives, has just received a new degree of C.P.C.U. which means "Chartered Property and Casualty Underwriter." Mr. Davis a few years ago was awarded the degree of C.L.U. (Chartered Life Underwriter) by American College of Life Insurance. He already had the degree of Ph.D. awarded by New York University. He secured his M.A. degree from the University of Illinois.

M. A. Tenney of Seattle has entered his 40th year with Mutual Life and is still an active producer, paying for \$262,733 on 54 lives in 1945 and qualifying for the company's Field Club for the 20th year. He was top producer in the United States in 1922.

Mr. Tenney's entire insurance career has been with Mutual Life, starting in 1907 at Milwaukee. He later served in Minnesota, North Dakota and Montana before going to Seattle in 1914.

Sidney Kent, the new manager of the Fuller agency of Prudential at Chicago, is now starting the building process and is planning to have a sizable organization. Brooks Fuller, son of W. S. Fuller, who has been supervisor of the

agency, remains with him. Mr. Kent is a forward looking man. He was at one time with the Van Goldman agency at Chicago, and hence is on familiar ground. He has purchased a home at Wilmette and his family is residing there.

Walter G. Meyers, general agent for General American Life at Rockford, Ill., was married to Eleanor McFall of Kewanee, Ill., at Laguna Beach, Cal. Mrs. Meyers is a former dean of women at Illinois College.

Thomas G. Murrell, general agent for Mutual Benefit at Los Angeles, has been awarded the bronze star for service afloat in anti-submarine warfare as commander of a division of destroyers. Previously he had received the legion of merit award for service ashore during the war. He was captain in the navy.

Miss Lorraine Sinton, sales promotion manager in the Paul W. Cook agency of the Mutual Benefit Life, Chicago, is at the Presbyterian Hospital in that city recovering from a serious accident. She picked up the telephone receiver and was hanging it up when it fell out of her hands and hit her eye, rupturing the retina. It was necessary to take stitches. She will be absent for some time. Miss Sinton, in addition to her own agency work, is well known to the life insurance fraternity because she has appeared before a number of life insurance associations to speak, and has written many insurance articles.

Clancy D. Connell, president of the National Assn. of Life Underwriters and general agent of Provident Mutual Life at New York, has just purchased "Victory," the latest collection of former Prime Minister Winston Churchill's war speeches, and the 33rd book he has written, thereby keeping up a record of being one of the few owners in this country of every book Mr. Churchill has written. Some time ago, in order to obtain the two volumes that he needed to complete his Churchill collection, Mr. Connell had to advertise in England. He first became interested in Mr. Churchill's works when he read

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SAN FRANCISCO 4, CAL.—507-8-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Pacific Coast Manager. Guy C. Macdonald, Pacific Coast Editor.

Churchill's biography of the duke of Marlborough, a distinguished ancestor of the author.

H. K. Nickell, Jr., 19-year-old son of H. Kennedy Nickell, Connecticut General, Chicago, has been released from the navy after two years of service, much of it on an amphibious craft in the Pacific. Following a fishing trip near Hayward, Wis., with his father, he plans to study engineering at Northwestern University.

William M. Wildeboor, Jefferson City, manager for Metropolitan Life, has been named by Governor Donnelly as chairman of the Missouri board of training schools, division of educational institutions. He is president of the Life Underwriters Assn. of Jefferson City.

Carl D. Casano of the Henry M. Faser agency of Penn Mutual Life, Boston, was given a luncheon by the agency, in honor of his 40th anniversary with the company. He has served through four successive agencies at Boston and during five company presidential administrations.

DEATHS

Clarence S. Dade, 83, who, until his retirement in 1944 was building superintendent of New England Mutual Life, died in Melrose, Mass. He went with New England Mutual in 1886. In 1936, company officers commemorated his half-century of service at a luncheon when he was President Smith's honor guest.

Stephen Leck, 4-year-old son of Walter C. Leck of the Nothhelfer & Leck agency of State Mutual Life in Chicago, died a few hours after having been taken ill at the Leck home in Wilmette, Ill.

Philip J. Brindisi, for 30 years assistant manager of Metropolitan Life in Utica, N. Y., died there.

I. Roy Perry, who retired in 1944 as chief underwriter for Shenandoah Life, died at the age of 56. He joined the company in 1930 as chief underwriter, retiring two years ago because of disability. He formerly was in the underwriting department of Bankers Life of Iowa.

Mrs. Evan D. Jones, whose late husband was secretary of Northwestern Mutual Life, whose son, Laflin C. Jones, is assistant director of agencies of that company, and whose brother, Herbert N. Laflin, was formerly attorney for Northwestern Mutual, died at Columbia Hospital, Milwaukee at the age of 72. Her husband died in 1935 after 44 years with Northwestern Mutual.

Life Companies Feel Skirts Are Clean

(CONTINUED FROM PAGE 3)

against loans on properties owned or occupied by Negroes and Spanish-speaking groups in New York City. It is reported that complaints have come from these groups and from contractors operating in Negro and Spanish areas of the city.

There is of course the possibility of a consent decree in civil suits brought by the Justice Department but the consensus among the life company members, at least, is against it. It would be an admission of guilt which they do not feel. Of course, the consent decree has the advantage of greatly shortening the time that the case is being aired in the newspapers. It is expected that there will be no further development in the case for a couple of months, when the defendants will file their answers.

Since the actions of which the Justice Department complains were entirely intrastate, there is some question as to whether they come within the federal government's power to regulate commerce, which is the basis of the anti-trust laws. However, the courts' ability to stretch the commerce power to include almost every conceivable activity has to be taken into account. Judging from some decisions that have been handed down, the federal anti-trust laws would probably be held applicable if a mortgage covered an apartment that had a tenant who worked for a company that was engaged in interstate commerce.

Wyckoff Wilson Is Retiring

HARTFORD—Wyckoff Wilson, an officer of Travelers for 28 years, will retire this September. A native of Albany, he has spent his entire business career with the Travelers after graduating from Yale. He started as a clerk in the actuarial department, but has spent all but his first year and a half in the accident department, of which he has been secretary for the past five years.

B. A. Wiedermann, San Antonio manager of Union Central Life, has become a grandfather with the birth of a daughter to his son, S. H. Wiedermann, a member of his agency.



THE "AYES" HAVE IT!

SHOULD COMPANIES sell Permanent and Total Disability Income benefits with their life insurance policies?

Everybody's debating that one today. Meanwhile, we're *doing* it—have been, without interruption, since 1921.

\$10-a-month income—not \$5.

Four-month waiting period—not six.

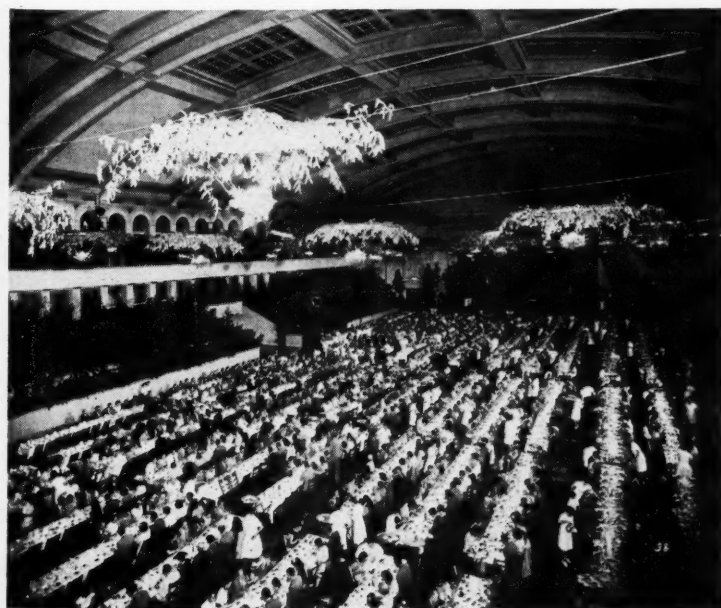
Written on Term plans, too!

Underwriters who have decided this debate affirmatively will find here what their clients seek.

Occidental Life Insurance Company of California

V. H. JENKINS, VICE PRESIDENT

"We pay lifetime renewals—they last as long as you do"



This photograph shows how the 2,250 attending the Northwestern Mutual convention filled the Milwaukee civic auditorium during the banquet.

The Home of Complete Protection

- Life
- Accident
- Health
- Annuities
- Hospitalization
- Group
- All-Ways

W. T. GRANT
Chairman of the Board

J. C. HIGDON
President

BUSINESS MEN'S ASSURANCE COMPANY
KANSAS CITY, MISSOURI

Centrally Located Serving the Nation from Coast to Coast

LIFE AGENCY CHANGES

Mutual Life Appoints Seven Assistant Managers

Seven new assistant managers have been appointed by Mutual Life. They are: James McCaughey, Myer agency, New York City; Harry S. Hull, Jr., Syracuse; Edwin E. Woodruff, Columbia, S. C.; Arden E. Hursh, Oakland, Cal.;

Henry J. Zock, Seattle; Clayne Robison, Salt Lake City; Edgar A. Biersdorf, Spokane.

Ramsey Named at Anderson

Robert L. Ramsey has been named district agent for Aetna Life at Anderson, Ind., under Paul M. Williams, general agent at Indianapolis.

H. R. Smith Returns As Houston Manager



HORACE R. SMITH

Horace R. Smith has returned as Jefferson Standard manager at Houston after four years in the AAF, from which he has been released as a lieutenant colonel. Emmett M. Smith, who has been acting manager since returning from the AAF early in the year, becomes supervisor.

Served As Training Director

A recipient of the War Department commendation medal, Mr. Smith served as director of AAF staff officers training, contracting officer at the Curtiss-Wright plant at St. Louis and director of air forces public relations training.

He is a C.L.U. and former president of the Houston Assn. of Life Underwriters.

Mutual Benefit 60 Year Phila. Veteran Retires

James H. Glenn, who has represented Mutual Benefit Life at Philadelphia for nearly 60 years, is retiring Oct. 1. Having served 47 years as general agent,



JAMES H. GLENN

he will be given the honorary title of general agent emeritus. His record of service is one of the longest in the company. He started as a stenographer at Philadelphia in 1888, soon was promoted to cashier, then went into the field as agent, in 1899 was appointed general agent as a partner in the firm of Keyes & Glenn, and became sole general agent in 1906.

Policyholders paying premiums through Mr. Glenn's agency now own \$53,115,399 of insurance in force.

Martin to West Coast Life

George A. Martin, formerly San Antonio manager of Atlantic Life and before that ordinary manager of American National at Corpus Christi, Tex., a veteran of more than 20 years in life insurance has been appointed San Antonio manager of West Coast Life.

Kleinschmidt Named Assistant

W. E. Kleinschmidt has been named assistant manager of the Dale Simpkins agency of New York Life at Chicago.

Mr. Kleinschmidt joined New York Life in 1937 at Milwaukee at the R. P. Kaehn agency, and was there until 1941 when he went into the army. He became a warrant officer in charge of the insurance department at Camp Grant, Ill., and helped write the sales talk that was used in camps to help convince new inductees that they should take N.S.L.I. He also served in the South Pacific.

Mr. Kleinschmidt returned to New York Life at Milwaukee in January.

Opens New Texas Agency

National Life & Accident has opened an office at Harlingen, Tex., with David H. Patterson, formerly of Alabama, as manager.

Albert Schmid, Jr., former Corpus Christi manager for National L. & A., has been discharged from service and has resumed his former position.

Hillmeyer to Conn. Mutual

Robert H. Hillmeyer, formerly of Lexington, Ky., who was a captain in the army, has joined the William T. Earls agency of Connecticut Mutual Life at Cincinnati as assistant brokerage manager. He completed a refresher course at Connecticut Mutual's home office. He attended University of Kentucky and was in the army 3½ years.

Morgan Franklin Life G. A.

G. M. Morgan, formerly with New York Life, has been appointed general agent in Oakes, N. D., for Franklin Life.

Brown Prudential Asst. Mgr.

Frank C. Brown has been made assistant manager of the Prudential ordinary agency at Richmond, Va., in charge of the office at Petersburg.

Athol G. Gorrill, Seattle assistant manager of Travelers life department, has been released from the army, where he rose to lieutenant-colonel. His last military assignment was as chief of the passenger branch movements division in Frankfurt, Germany.

George J. Cohen, president of the Passaic-Bergen Assn. of Life Underwriters, has joined the Freid agency at New York of New England Mutual Life.

COMPANIES

Franklin Life Passes \$400 Million in Force Mark

In an address before leading producers attending regional conventions at Atlantic City, Estes Park, Colo., and Sonoma, Calif., Chas. E. Becker, president of Franklin Life, announced that the company had in mid-July attained the \$400 million mark of insurance in force. New sales for the first seven months of 1946 totaled \$87,590,000 in contrast with \$39,255,000 during the corresponding period last year, an increase of 123%. Production during July reflected an improvement of more than 100% over the same month in 1945, with a total more than \$13 million.

Jacob Dobrin of Seattle led in personal production with sales totaling more than \$1 million for July. The Seattle agency held top position nationally agency-wise.

Total premium income showed a gain of 96% over the first seven months of 1945, and first year cash premium income showed an improvement of 273.9%.

A STATEMENT OF POLICY



by
W. Paul Stillman
Chairman of the Board

I am definitely sales minded. I do not say that merely to please you—although I assume that it will—but rather to inform you of one type of thinking that will be vigorously applied to the development of our Company during the coming years.

[FROM A RECENT ADDRESS]



IN OUR 102ND YEAR OF LIBERAL SERVICE

The Mutual Benefit Life Insurance Company

Newark, New Jersey

SECURITY
is a simple matter!

With a Bankers Mutual Life contract, tailored to your measure. An Agent's and Policyholder's Company "where the Agent reigns supreme".

Bankers Mutual Life Co.

ESTABLISHED 1907

FREEMONT, ILLINOIS



for the same period. Assets increased at the rate of 125% over 1945 and now exceed \$88 million.

First Million Dollar Month

July was the first million dollar life insurance production month for North American Accident of Chicago.

Its own agents are taking hold of the life end in a satisfactory way. A systematic plan and program of training and education in life insurance is being prepared.

Walter McGregor, the actuary who went to North American from Country Life of Chicago, is building a complete actuarial department. He is a practical man and has been able to coordinate the various departments so that everything is running harmoniously.

New Insurer at Omaha

Protective Life & Accident of Omaha has filed articles of incorporation in Nebraska. It is projected as a company with \$500,000 capital and to engage in life insurance and accident and health. Incorporators are Clarence L. Mereta, Leonard Landen, J. Earl Thompson, Wilson Anderson, R. R. Hofferber, Lenore Ludington, Dewall P. Smith and Earl G. Dobson, all of Omaha.

Laud Northwestern Nat'l Veterans

Sixty Northwestern National Life home office employees, who a quarter century ago constituted half the home office staff, have been cited by the company for their long and faithful service. Some have retired and now are enjoying life on pension. President O. J. Arnold, in commending these employees, said that during the difficult war years they rendered invaluable service to the field men. He also paid tribute to the 173 field force employees who have passed ten years with the company.

Our New Address



84 WILLIAM STREET
AT THE CORNER OF MAIDEN LANE
NEW YORK 7, N. Y.

The United States Life
Insurance Company
In the City of New York

AMONG COMPANY MEN

Six Home Office Promotions Made by Mutual Trust Life

Three new officers were elected at the board meeting of Mutual Trust Life recently and a new agency secretary was appointed.

Harry C. Irons, agency secretary, was elected assistant secretary; Lawrence K. Smith was elected assistant actuary; Delmar Olson was elected assistant counsel; and James W. Maurer was appointed agency secretary.

Mr. Irons joined Mutual Trust in 1941 and was appointed agency secretary the following year. Before that he was with Flitcraft, Inc., for five years, and before that with the old National Life, U.S.A., Chicago.

Mr. Smith joined the company in February as assistant to actuary W. W. Nipper. During the war he was a captain in the army and before that was with the Iowa insurance department.

Mr. Olson has been with Mutual Trust since 1938 in the legal department and has been company attorney for the past several years. He was in private practice prior to joining the company.

Two field supervisors, Stacy B. Merchant and Roald K. Rolfson, have been named division managers. Mr. Merchant has supervision of Indiana, Iowa, and Illinois, except Cook county, which continues under Robert H. Wienecke. Mr. Rolfson is in charge of Wisconsin, Michigan and Ohio.

Murchison & Co. Reserve Loan Group Manager

Kenneth Murchison & Co. has been named exclusive group manager for Reserve Loan Life. Heading the agency group department are W. L. Appleby and James E. Gavin.

Mr. Appleby, has been specializing in group since 1929. He has been a group supervisor for Oregon, Washington and British Columbia and later Texas, Arkansas and Louisiana.

Mr. Gavin became associated with Mr. Appleby in 1940. Inducted into the army in 1942, he was commissioned in the field and discharged as a captain.

Diepenbrock Now Actuary of Peoples Life, D. C.

R. G. Diepenbrock, former actuary of the Missouri department, who went to North American Accident of Chicago as actuary when it started writing life insurance, has now gone to Peoples Life of Washington, D. C., as actuary.

London Life Advances Four

Gordon S. Woolsey has been appointed assistant superintendent of agencies of London Life. Albert W. Anderson has been named assistant secretary; Wray M. Bell associate underwriting executive and Thomas E. Gill associate actuary.

Minn. Mutual Promotions

John J. Schoeller has become associate comptroller of Minnesota Mutual Life with added responsibilities of supervision in the accounting section. He has been with the company since 1921, first serving as an accountant. He later became assistant auditor and then assistant comptroller.

Martin W. Decker and Herbert G. Bartholdi are appointed assistant comptrollers.

Mr. Decker joined the accounting division in 1925. He was advanced to accountant in 1935.

Mr. Bartholdi has held various positions in the comptroller's office since 1934. He is a war veteran with 16

months service in the navy as a lieutenant (j.g.).

Yeates Takes N. Y. Training Post

Lloyd R. Yeates, assistant manager Oakland agency Mutual Life, has been named assistant to Ward Phelps, director of training. Mr. Yeates will report to the New York home office Sept. 2 to begin his new duties. He joined the company in 1932 as an agent in Pueblo, Colo. He transferred to Oakland in

1937. He was named supervising assistant of that agency Jan. 1, 1945, and last November was named assistant manager. In 1944 and 1945 Mr. Yeates wrote close to \$1 million and has been a leading Mutual Life producer for some years.

Hudnall of Peninsular Retires

B. B. Hudnall, vice-president in charge of agencies of Peninsular Life, has retired after 10 years with the company. He entered insurance in 1924 in Chicago as an agent with Travelers. In 1935 he moved to Jacksonville and joined Peninsular Life. Until 1943 he served as director of agencies, when he was promoted to vice-president.

OPPORTUNITY

We have excellent openings in the following territories for General Agents and consistent producers:

Arizona	Missouri
Illinois	Nebraska
Indiana	Ohio
Iowa	Oklahoma
Kansas	Texas
Maryland	Virginia
District of Columbia	

You will be especially interested in our Complete Coverage Package Plan. Also our unique Miracle Letter Lead system. And, above all else in knowing how you can create \$1,000 in renewals the second year by averaging only three Package Plan sales weekly and how in five years you can have an income that will make you financially independent. Correspondence Confidential.

HUGH D. HART

Vice-President and Director of Agencies

Illinois Bankers Life
Assurance Company
MONMOUTH, ILLINOIS

Dominion Life
THE ASSURANCE COMPANY
Since 1889
HEAD OFFICE - WATERLOO, ONTARIO
SPECIAL PLANS FOR SPECIAL NEEDS

Bank Retirement Plan in Va.

Life of Virginia is underwriting a group retirement plan of the Virginia Bankers Association for employees of member banks. Virginia is the third state to set up such a plan. The plan is designed to provide income including so-

cial security benefits of approximately 60% of an employee's average monthly earnings after 40 years of service. Employees who are eligible to participate may contribute 2 1/4% of the first \$250 of monthly earnings, plus 4 1/2% of earnings in excess of \$250. Member banks will bear the remaining expense.

EDITORSHIP OPEN

(Man or Woman)

R & R

Editorship of Weekly News Review Digest, our oldest and one of our most highly thought of Services. Position carries full responsibility and freedom within wide limits to develop the Service.

Here is one of the most interesting jobs in the life insurance business—a ringside seat for the observation events, trends, and personalities that make history in world's largest and most rapidly expanding industry. Service has world-wide circulation among top management level, home office and field; its editor can have a hand in helping ranking men of the business form their opinions and in bringing about international understanding among life insurance men.

Job calls for three qualifications, of importance in order named: (1) Sincere interest in life insurance as an industry and as a social and economic force. (2) Broad acquaintance with companies and home office and field personalities—not necessarily personal, but the acquaintance that comes from following what goes on in the business through the trade press. (3) Some journalistic training or experience—the more the better. Rewrite and copy desk better than straight reporting. Some ability in news interpretation and analysis.

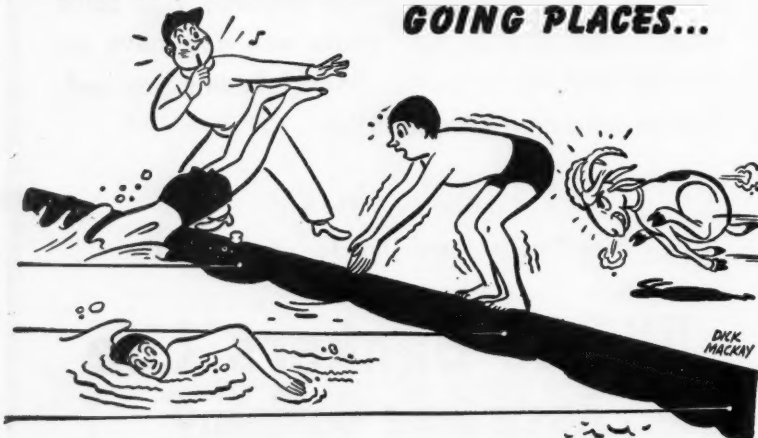
Other qualifications being equal, a woman is as acceptable as a man, provided she is interested in a career. This opening is with an organization where an editorship means all responsibility you can take and no necessity of formal "okay's" before every move. You'll step into an office of your own in an atmosphere free from internal politics and personality clashes. Company has long-standing group retirement, group life, hospitalization, and bonus plans.

Write giving details concerning qualifications mentioned and usual personal data pertinent to any job application: age, sex, marital status, education, salary requirements, etc. Mark letter to personal attention of Paul Speicher, Managing Editor. Correspondence will be held in confidence until and unless offer acceptable to you is made, when—if you are in insurance business—we shall want to check to make sure your leaving won't interrupt vital plans of present employer. Opening is as immediate as you can make it.

THE INSURANCE RESEARCH AND REVIEW SERVICE

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GOING PLACES...

The Security Mutual Agent is in the swim already . . . needs no help for a quick start in prospecting. He's going places far and fast with our Essential Disability Policy.

For Details—write to F. L. MABLE, Superintendent of Agencies

Security MUTUAL LIFE
INSURANCE COMPANY

INCORPORATED 1886 / Binghamton, New York

FREDERICK D. RUSSELL, PRESIDENT

LIFE . . . ACCIDENT . . . HEALTH**LIFE SALES MEETINGS****700 Honor Acacia's Montgomery at Big Canada Conclave**

Seven hundred Acacia Mutual field men, company executives and other personnel attended the annual convention at Banff, Can., which, although held two years late because of wartime restrictions, was in honor of the 50th anniversary with the company of President William Montgomery.

Held at the famous Banff Springs hotel high in the Canadian Rockies, the convention afforded those qualifying to attend with numerous carefully planned recreational features. Besides honoring President Montgomery it served as a reward for leading company producers.

Highlight of the convention, which lasted nearly a week, was a reception given by President and Mrs. Montgomery preceding the final dinner.

President Montgomery Talks

At the banquet following the main speaker was President Montgomery. Service pins were presented to outstanding producers, and others were cited for their records.

Mr. Montgomery also was the principal speaker at the opening luncheon. He told of his beginning with the company when he was the only employee.

In those days, he related, he was not only the entire clerical force but also Acacia's only salesman. He would secure policies, hurry back to the office to underwrite them, rush back and deliver them, collecting the necessary cash which, upon his return to the office, he handed in his role of cashier.

After the company began to expand, he said, it was still most difficult to sell an Acacia policy from a competitive standpoint. In those days Acacia was operating as a fraternal company, and although premium rates had a legal reserve basis all policies contained the very unpopular assessment clause.

Great Growth Recorded

Through perseverance these, and many other obstacles, gradually were by-passed. Acacia began to make progress. Service became the company's keynote. And finally the struggling company surged over the hump, well on its way to becoming the solid life insurance institution it is today—with in-force of \$500 million plus.

The field advisory committee, composed of Acacia's leading managers, held its mid-year meeting during the convention. Lee Nashem, Chicago branch manager, was elected chairman. Serving with him are Joseph Barbeau, Washington, D. C.; James M. Williams, Norfolk; LaNoue Matta, Los Angeles; William Dunkak, San Francisco, and Mason McKibben, Denver.

Since it was an occasion for celebration, business meetings were held only two mornings. Recruiting was discussed at one meeting by a five-man panel composed of Roland Suter, Baltimore; Jess Black, Philadelphia; William Smith, Cincinnati; Edward Barr, Youngstown, and Gene Johnson, Indianapolis.

Another five-man panel consisted of

Mr. Dunkak, Clarence Fritz, Newark; William Shelby, Louisville; Mason McKibben, Denver, and William McKemie, Toledo. Discussion was on "Keeping Faith With our GI's." Recognizing that veterans offer the life insurance business one of its greatest opportunities for manpower development, but at the same time impose a tremendous responsibility, the panel on training was regarded as one of the most important phases of the business meeting.

"The Investment Side of the Life Insurance Business" was the subject of an address given by Howard W. Kacy, first vice-president.

Samuel E. Mooers, field vice-president, talked on agency management and out-



lined a three-point program to be followed in order to successfully build an agency organization.

"Underwriting in the field and home office" was the subject of Dr. Raymond B. Hutchinson, medical director, while Eugene Thore, general counsel, gave an interesting talk on "Your assistant salesman."

Two special trains, one originating in Washington and the other in Chicago, were organized for the great number of field men and their families who reside in the east. In providing round-trip transportation for all who qualified, Acacia urged the men to take their vacations in connection with the convention so that they might extend their trips around the country at little or no additional cost to themselves. Many men, therefore, were able to take their families on trips to the Pacific coast and America's national parks.

The picture above shows presentation of awards by President Montgomery.

Wisconsin Agents Confer

Edmund M. McConney, president of the Bankers Life of Iowa, was the principal speaker at a conference of agents from southern and western Wisconsin at the C. W. Tomlinson agency in Madison. The meeting was followed by a luncheon.

Another speaker was W. F. Winterble, agency vice-president. He was agency manager in Madison from 1923 to 1934, and had previously been located in Richland Center, Wis.

Berkshire Life Correction

The statement in the Aug. 2 edition that Berkshire Life is holding an agency convention Aug. 9-12 at Atlantic City was erroneous. The Berkshire Life conference for agents will not be held until September, 1947.

Pacific National Leaders Meet

General agents and qualified agents, members of Premier million dollar agencies of Pacific National Life, with their

LIVE IN CALIFORNIA

Fastest growing California Life Insurance Company wants a real manager to take over complete charge of entire life operation of company—train agents, general agents, run the entire show.

We now write one million of Life per month. Grow with us and live in California. Greatest opportunity on earth. Old Line Legal Reserve Company. Write a complete story of yourself. Address H-16, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

ladies, were guests of the company at Signal Mountain Lodge, Teton Valley, Wyoming, for nearly a week, with J. Milton Olson of Cheyenne, president of the Premier Million Dollar Club, as host. Home office officials in attendance with their wives were Kenneth W. Cring, superintendent of agents, and Scott Barnes, assistant secretary.

It was the first meeting of the club since the outbreak of the war. Business matters were limited to one session at which officers were elected. Mr. Olsen was reelected president; Ralph W. Evans, Butte, first vice-president; C. Gale Baker, Boise, second vice-president, and Ivan Johnson, Salt Lake City, secretary.

Public Service Group Convention

The Public Service group of Washington, which includes Public Service Life, Health & Accident of Seattle, National Public Service and Public Service Underwriters, associated agency and underwriting company, held a six-day convention in Seattle, with average daily attendance of 200. Members of the field organization in five western states were present.

The companies report an increase in new business for 1946 to date of 100% over 1945.

Bankers Life School at Chicago

Twenty-three salesmen from 13 agencies of Bankers Life of Des Moines attended a district sales training school at Chicago, Aug. 5-9, under the direction of T. H. Tomlinson, manager of sales promotion, assisted by Roy A. Frowick, sales training department.

Tower Club in Convention

The Tower Club of Northern Life, held its annual meeting in Seattle, with more than 400 in attendance.

A. Linus Pearson is club president, with Russ H. Goodwin and C. W. Goodwin as vice-presidents.

Rural Bankers Meeting

Rural Bankers Legion Life held a two-day meeting at Turkey Run, Ind., Aug. 14-15.

May 31, 1947. Interest on funds left with the company is 3%.

Pacific Mutual Revises Master Group Forms

LOS ANGELES—Pacific Mutual has revised its four principal master group policies, together with the insured's individual certificates. The new forms have been filed with the insurance departments of states in which the company is admitted.

The four master group contracts are life, accidental death and dismemberment, accident and sickness, and hospital, surgical and medical care expense. The latter now can be issued either with or without surgical benefits and with or without special medical care benefits.

Yearly NSLI Endowment Rates

Below are the yearly premium rates for the three new forms into which NSLI may be converted, 20-year endowment, endowment at 60 and endowment at 65.

Age	Premium 20-yr. End.	Rates for \$1,000 End. at 60	End. at 65
15	\$40.73	\$16.57	\$15.15
16	40.73	17.05	15.51
17	40.84	17.52	15.98
18	40.84	18.00	16.34
19	40.84	18.59	16.69
20	40.96	19.06	17.17
21	40.96	19.65	17.64
22	40.96	20.24	18.11
23	41.08	20.95	18.71
24	41.08	21.67	19.18
25	41.20	22.38	19.77
26	41.20	23.20	20.36
27	41.32	24.03	21.07
28	41.44	24.86	21.78
29	41.44	25.81	22.49
30	41.55	26.87	23.20
31	41.67	27.94	24.03
32	41.79	29.24	24.98
33	41.91	30.43	25.93
34	42.03	31.85	26.87
35	42.15	33.39	28.06
36	42.38	35.04	29.12
37	42.50	36.82	30.43
38	42.74	38.71	31.85
39	42.98	40.96	33.27
40	43.33	43.33	34.81
41	43.57	45.94	36.58
42	43.92	48.89	38.48
43	44.28	52.09	40.49

Age	Premium 20-yr. End.	Rates for \$1,000 End. at 60	End. at 65
44	44.75	55.76	42.74
45	45.22	60.02	45.22
46	45.82	64.76	48.07
47	46.41	70.32	51.14
48	47.12	76.72	54.58
49	47.95	84.41	58.37
50	48.78	93.53	62.75
51	49.72	104.66	67.72
52	50.79	118.51	73.40
53	52.09	136.27	80.03
54	53.39	160.06	87.85
55	54.81	193.09	97.20
56	56.47	242.58	108.56
57	58.25	324.98	122.65
58	60.26	459.42	140.65
59	62.39	981.92	164.56
60	64.88	.....	197.95
61	67.48	.....	247.67
62	70.44	.....	330.31
63	73.64	.....	494.87
64	77.07	.....	987.49
65	80.98	.....	.....
66	85.24	.....	.....
67	89.86	.....	.....
68	95.07	.....	.....
69	100.63	.....	.....
70	106.79	.....	.....
71	113.42	.....	.....
72	120.64	.....	.....
73	128.57	.....	.....
74	137.21	.....	.....
75	146.68	.....	.....

Equitable, N. Y. Dividends in 87 Years Are \$1,258,142,801

Equitable Society has paid \$1,258,142,801 in policy dividends from the time of its organization in 1859 to Dec. 31, 1945.

West Coast Continues Scale

West Coast Life is continuing its dividend scale to May 31, 1947. Guaranteed rate of interest is paid on funds left with the company.

NEW YORK

BUYS INDUSTRIAL LOANS

Mutual Life announces the purchase of two industrial loans. General Phoenix Corp. sold \$2 million 3 3/4% subordinated sinking fund notes, due 1961, to Mutual Life. Machlett Laboratories, Inc., sold \$875,000 first mortgage 4% sinking fund notes to Mutual Life. In

both cases, proceeds will be used to handle an enlarged volume of business.

BIG FRASER AGENCY PRODUCTION

John M. Fraser Agency, Connecticut Mutual Life, paid for \$1,035,421 in July of this year against \$1,006,498 the same month last year. Total paid-for business for the year is \$8,723,908 against \$5,022,262 last year. This is the agency's 19th consecutive plus month.

CHICAGO

MUTUAL TRUST EXPANDS

Mutual Trust Life of Chicago will soon add 5,000 more feet to its home office in the Field building. This will give it 75% of the entire floor. The company is now crowded because of the extra demands on it. For instance, it is sending out twice as many policies this year as it did last. Because of added employees and new demands on its facilities, the expansion is necessary.

COOK AGENCY MOVES

The Paul W. Cook general agency of Mutual Benefit Life at Chicago has moved to new offices in 825 One North LaSalle street. The old offices were in the Conway building. In his new headquarters Mr. Cook will have the only air conditioning unit in the building.

RECORDS

Empire State Mutual Life—New business for the first six months was \$2,642,380, an increase of \$760,180. Increase in force for the first half is \$1,481,221.

Home State Life—New business for the first six months was \$12,095,844 and increase in force for the same period is \$6,370,064. This compares with \$7,101,491 of new business the first half of last year, with an increase in force of \$3,210,482.

National Life of Vermont—July sales totaled \$10,331,113 and constituted the second best month in history. It was the best month of July on record. There

POLICIES

Conn. General Now Writing Diabetics, Foreign Travelers

Connecticut General Life is now willing to consider most diabetics for substandard life insurance. Such applicants must be under medical care or supervision, free from other physical impairments and either gainfully employed or following the normal occupation of housewife or student.

Applicants will be considered on male and female risks, ages 10 to 60, for permanent plans. Minimum application which will be considered is \$2,500, maximum \$25,000. The amount acceptable will be graded according to age and rating in each case. The company has also published a new schedule of rates for applicants contemplating extensive travel or residence outside the United States. They are intended to cover applicants who will live in the more settled regions of the world.

The new schedule permits insurance at standard rates for temporary residence in all of Europe, Hawaii, Bermuda and Newfoundland, as well as parts of Africa, North and South America, Australia, New Zealand and parts of the West Indies. The war-time rates only granted standard rates for temporary residence in a limited number of countries, largely in North and South America.

George Washington Scale Same

George Washington Life is continuing its dividend scale without change to

The BRIGHT SPOT
of OPPORTUNITY
for a high-grade man
RIGHT NOW is..

PORTSMOUTH
(Ohio)

DAVENPORT
(Iowa)

KOKOMO
(Ind.)

AMERICAN UNITED LIFE INSURANCE COMPANY

Established 1877



Indianapolis

was a 74.63% gain over July, 1945. Insurance in force totals \$790,356,056.

Security Mutual, N. Y.—July ordinary production passed \$20 million, equaling new business for the entire year 1945. Gain of in-force the same 1946 period is

over \$17.5 million, about \$2 million more than the entire 1945 gain. This brings in-force total to nearly \$160 million.

Berkshire Life—Paid life insurance in July increased 25% over July, 1945. For the first seven months the increase was

27%. The company has had 41 consecutive plus months.

American Hospital & Life—Paid business to Aug. 1 increased 34.6% over the same period of 1945.

Equitable Life of Iowa—The greatest volume of paid life insurance ever to be secured in July was attained last month. July paid volume was \$7,590,906, a gain of \$1,845,258, or 32.1%, over July, 1945.

New life insurance volume sold in the first seven months was \$68,911,217, and

this also marked a new high point in production. This was an increase of \$29,183,257, or 73.5%, over 1945.

Insurance in force was increased in July by \$5,413,171, the total now being \$797,135,445. This is a gain of more than \$52 million since Jan. 1.

Home Life, N. Y.—Set a July record with a 66.8% gain over July a year ago. August production is running at an even higher rate. 1946 sales to date nearly equal the entire year 1945.



GROWTH SITUATION

The territory of Shenandoah Life is strategically situated in one of the fastest growing sections of the country. This fact, plus fair contracts, group life insurance at company expense, liberal first year and vested renewals, friendly home office service, and a well rounded line of policies, make for the far-seeing representative the ideal opportunity.

Openings in Virginia, West Virginia, North Carolina, South Carolina, Tennessee and Alabama.

STRONG-PROGRESSIVE

Shenandoah
Life INSURANCE CO., INC.
ROANOKE 10, VIRGINIA
PAUL C. BUFORD, President

MUTUAL TRUST LIFE INSURANCE COMPANY

HOME OFFICE
CHICAGO



FIELD BUILDING
ILLINOIS

"As Faithful as Old Faithful"

A GENERAL AGENCY COMPANY

Operates In 18 States — 9 In The West
and 9 In The East

Competes successfully in net cost and otherwise with the best and oldest of the Eastern mutual companies in their home territories. More than 45 per cent of its new business comes from New York, New Jersey, Pennsylvania and the six New England States.

Has policies to fit every life insurance need for both sexes from date of birth to old age.

Nothing Better in Life Insurance

NEWS OF LIFE ASSOCIATIONS

Baxter Stresses Proper Work Habits

R. P. Baxter, Dallas, agency manager Rio Grande National Life, spoke at the meeting of the Austin Association of Life Underwriters on the value of sales training. He cited the industrial agents who have made great progress in the last few years because their policies have been made more salable, they are better trained, and have gained prestige. They should not be deemed sellers of five and ten cents a week policies, but through training in service and use of time control are truly professional men.

He said the Texas ordinary company with the largest volume of business in force may be outstripped in a year or two by an industrial company operating in Texas exclusively through debit men. The industrial men of today are trained to fit policies to the prospect's need and keep in touch with changes in his situation. To be successful, Mr. Baxter said, the agent must earn the best available living and on a level with his prospects.

To improve the agents' earnings, Mr. Baxter tries to get them to work five days each week. The man who does this, he believes will succeed. Men in his agency are earning from \$3,000 to \$5,000 a year, largely due to their habits.

Mr. Baxter told of L. B. Bowman, one of his agents, who wrote 1,400 policies in Hico, Tex., a town of 1,500 population, and also produced \$1 million in Brownwood, Tex., a town of not more than 15,000. The work habits to watch, Mr. Baxter said, are prospecting habits, call habits, presentation habits and all general working habits. One of his agents was found to run out of prospects and a list of eight sources of prospects was given him so that no longer can be complain of lack of prospects. Carrying a small note book in which the agent can note the name of any man whom he meets and his needs is a good idea. John Monroe, Great National Life agent at Dallas, whose doctor will not permit him to work more than three hours a day, uses the notebook plan of prospecting and pays for \$600,000 a year.

New Indiana Secretary

Miss Lucille Pryor has been employed as secretary of the Indiana State Assn. of Life Underwriters and she will also serve in the same capacity for the Indianapolis Association and General Agents & Managers Assn. with office in the Merchants Bank building, Indianapolis.

Marshalltown, Ia.—J. R. Phillips, Penn Mutual, has been elected president; J. W. Haefner, vice-president, and C. R. Cline, secretary. Glenn Roberts is the retiring president.

Akron, O.—L. R. Hewett, of Occidental Life, has been elected president of a newly formed association. M. H. Clyer, L. A. Weaver, Vernon Bond, and S. B. Freeman are vice-presidents, and Daniel Hierlihy, secretary.

San Antonio—Four members who have qualified for membership in the Million Dollar Round Table and 14 members who have received the national quality certificate, were honored. Walter Windsor, one of the millionaires, was chairman. H. Bruce Veazey, Indianapolis Life, spoke on what membership means and Otto Zoeller, Great Southern, urged

seeing enough people and writing some larger cases. He makes use of the telephone to secure appointments.

D. S. Kimball, Minnesota Mutual, one of the quality award winners, spoke on what constitutes quality business.

Blytheville, Ark.—A new association has been organized with Lynn Brown, Metropolitan Life, as president; A. B. Jagers and I. L. DeShazo, vice-presidents; J. L. Thompson, Jr., secretary.

Memphis—In the name of its 417 members, the association has issued a plea to all ex-servicemen to keep their National Service Life Insurance or to renew it if already dropped. A double-column advertisement to that effect appeared in local papers.

Tampa, Fla.—J. G. Zendegeul was elected president, T. W. Gary, Jr., J. M. Hammer and S. G. Richardson, vice-presidents; and Max Hill, secretary. Mr. Zendegeul and T. J. Miles, national committeeman, will represent the association at the N.A.L.U. Cleveland convention in September.

Northeast Missouri—New officers are: Carl E. Knight, president; Homer Glascock, vice-president; Guy Lake, secretary; A. M. Curtis, national committeeman.

Southeast Missouri—New officers installed at a meeting at Hayti are: President, Mayes K. Chism, Metropolitan Life; vice-presidents, Byron McKay, National Life & Accident, and S. C. Abernathy, Reliable Life; secretary, Tom Baldwin, Provident Mutual.

W. C. Thurman Cincinnati Manager of Commonwealth

Commonwealth Life has appointed William C. Thurman as manager of the ordinary branch at Cincinnati. He has been assistant manager at Youngstown since January.

Mr. Thurman joined Commonwealth in 1944 after five years in the army. For a time he was a field supervisor for the ordinary department, operating out of the home office.

Mr. Thurman succeeds Walter I. Black, who is becoming a Kaiser-Frazier dealer in his home state of Nebraska. Mr. Black, whose home had been in Omaha until he entered the army, opened Commonwealth's Cincinnati branch in January upon his retirement from active duty as a colonel in the air force.

Accident-Health Increase 17%

A 17% increase in accident and health premium income for the first six months of this year, compared to a similar period last year, is indicated in a report just tabulated by the Health & Accident Underwriters Conference.

If this trend continues the remainder of the year, the total accident and health volume on a countrywide basis should reach close to \$700 million at the end of the year.

Loss ratios increased materially the first half of the year.

Review Aetna Life Plan

DETROIT—At the meeting of the Life Agency Cashiers Association of Detroit and Windsor the possibility of a public relations course for the winter was discussed. A round table discussion was conducted by Robert Fay, Aetna Life, assisted by Mrs. Patricia Jeffers, also of Aetna. They gave an insight into the effectiveness of the estate control plan operated by a special department. The information for the plan is submitted by the agent on an executive requirement sheet and all work is prepared by the members of this department.

ACCIDENT

Catholic Hospitals in Mich. to Quit Blue Cross Aug. 19

LANSING, MICH.—Efforts to patch differences between Michigan Hospital Service (Blue Cross) and the 14 major hospitals operated in the state by the Catholic Order of Sisters of Mercy apparently have been unavailing and these institutions are discontinuing participation in the Blue Cross plan Aug. 19.

St. Lawrence hospital here is one of the hospitals which have elected to withdraw from the plan because of dissatisfaction with the formula for computing compensation for hospitalized patients.

The spokesman for that hospital said it was hoped some arrangement could be worked out to permit accepting Blue Cross subscribers as patients in view of the large number of Lansing industrial employes holding Michigan Hospital Service contracts, including Oldsmobile division of General Motors, the city's largest single employer. The Sisters of Mercy hospitals are charity institutions and do not wish to show a profit but heads of the order do not feel that other patients should be forced to subsidize in part the Hospital Service patients in order to keep the hospital's budgets on an even keel.

Unexpired Contracts Unaffected

Attorney General Dethmers has advised Commissioner Forbes that hospitals withdrawing from the plan must honor unexpired individual contracts. The opinion conceded the right of hospitals to withdraw from the Michigan Hospital Service plan, after proper notification, but noted that they are obligated to provide hospital service to all subscribers to the plan holding unexpired service contracts. It was further stated that such hospitals are obligated to contribute to any deficit incurred in operation of the plan between the time withdrawal notice was filed and the actual date of withdrawal.

Milwaukee Blue Cross Rates Up

The Associated Hospital Service of Milwaukee (Blue Cross) has increased its rates on new contracts to \$2 per month for the family and 90 cents for individuals. The increases are 50 cents and 15 cents respectively. Some additional benefits are granted.

Hourigan Resumes Old Post

Underwriters Reports of Boston has reelected J. Lester Hourigan president and treasurer. He resigned in 1942 to enter the navy and saw 14 months service as lieutenant commander. Paul B. Cameron was elected vice-president in charge of sales. He also served in navy aviation during the war.

Large life insurance agency in Ohio needs stenographer-clerk who has cashier ambitions. Splendid chance for advancement. Please give full information regarding age, education, marital status and experience, also salary expected. All correspondence in strictest confidence. Address H-12, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

INSPIRATIONAL SPEAKER AVAILABLE

Nationally human, unparalleled record of achievement, agents meetings, sales clinics, company gatherings, your inquiry will bring all necessary information. Address Box G-90, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

ACTUARY WANTED

By legal reserve life insurance company located in an Eastern State. Attractive offer for qualified man to take full charge of actuarial work. Excellent opportunity. All replies will be treated in the strictest confidence. Address Box H-6, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Cal. Disability May Start Dec. 1

(CONTINUED FROM PAGE 4)

particularly the life companies, are working on the problem of devising policy forms that will qualify under voluntary plans in California. Some of the eastern life companies had a meeting late in June with Deputy Commissioner John Maloney in California. This was a conference that was granted at the request of actuaries for some of the eastern companies. There is reported to be an undercurrent of resentment on the part of some interested companies that were not included in the conference. The understanding is now that meetings shall be open and all types of insurers be encouraged to participate, so that insurance may adopt common procedures and mechanics with a more or less common front.

There have been several meetings at which representatives of labor, management and insurance have been present to iron out some of the problems involved in drafting regulations. A tentative draft was turned out July 17, but it still needs some shaping up.

The final meeting for consideration of the disability regulations will be held Aug. 26 at Sacramento. This will be an open meeting.

One of the controversial points that has to be cleared up is what constitutes wages within the meaning of the section providing that where the employee receives any wages he is not entitled to his disability benefits? In other words, are welfare payments from a fund created by employer and employee contributions wages?

Another question pertains to the form of insurance contracts. Those prepared by the various companies have thus far been in two parts written as one contract, one part dealing with required disability benefits and the other with additional benefits. While it had been formerly believed that the commissioner would approve this, at the last meeting he went along with the representatives of organized labor in their belief that such benefits should be given under separate policies. The fear of labor is that the slim margin of profit available from writing disability business as such would be compensated by an effort to load the premium onto the additional benefit section.

Mass. Indem. Issues New Accidental Death Form

Massachusetts Indemnity is introducing a new and unique accidental death policy that is non-cancellable and incontestable with guaranteed renewal to age 65, with no time limit for death to occur. The minimum is \$5,000, maximum \$10,000 benefit, for premiums ranging from \$2.50 to \$5 per annum per \$1,000, according to classification.

Until now, Massachusetts Indemnity never has sold an accidental death benefit policy, but only income forms. The new contract is non-medical, with a short form application. It is sold in a separate policy. A surgical benefits rider, noncancellable to age 65, is sold at \$8 extra premium, with a schedule ranging from \$10 to \$125. A waiver of premium clause is included at no extra cost, maintaining the policy in force in event of total and permanent disability.

Suspend Pa. Examiners

Commissioner Neel of Pennsylvania has suspended two examiners who allegedly accepted bribes from a beneficial association. They are Eugene Denker and George B. Anderson, both of Philadelphia.

A probe into the case was started early in July on the basis of a rumor reaching the commissioner. State police investigated and their report has been referred to the state department of justice for appropriate action. Both investigators had been with the department since March, 1939.

United Life and Accident Insurance Company

CONCORD, N. H.

Policies Designed to Help the Agent

HEALTH BENEFITS . . .

\$200 for 50 months beginning 30 days from date of total disability from sickness.

Non-cancellable — Non-proratable.

ACCIDENT BENEFITS . . .

\$200 for 50 months from first day of total disability.

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HOSPITAL BENEFITS . . .

\$200 for 3 months from first day of total disability, either by accident or sickness.

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LIFE BENEFITS . . .

Double, Triple Indemnity—Waiver of Premium.

Policies Are What the Public Wants and NEEDS

For Details Write

WILLIAM D. HALLER, Vice Pres. and Agency Mgr.



EDGEWATER BEACH HOTEL

Headquarters of the World for Insurance Conventions

CHICAGO, ILLINOIS

LEGAL RESERVE FRATERNALS

W. O. W. Advances Hurt and Sims

OMAHA—Max B. Hurt, Murray, Ky., a national auditor of Woodmen of the World Life since Jan. 1, 1945, has been appointed national treasurer, and J. R. Sims, Dallas, Texas, manager, has been named field manager.

Mr. Hurt, a leader in W.O.W. activities for 17 years, has been a national officer since 1943, when he was



J. R. Sims



Max B. Hurt

appointed sentry, and later he became watchman. He joined the society at Kirksey, Ky., in 1929, where he was high school principal. He has been head adviser and head consul of the Kentucky jurisdiction. He is a graduate of Kentucky State University and Murray State Teachers College, and taught in Kentucky high schools until 1932 when he was appointed assistant postmaster at Murray. He is secretary Murray chamber of commerce, operates one of the largest grain and cattle farms in Calloway county, is service officer of Murray Post No. 73 of American

Legion, and a district commissioner of Boy Scouts.

Mr. Sims has been in the W.O.W. field force in Texas and Illinois since 1928. He was a district manager at Houston, then Illinois manager. In 1938 he returned to Texas as state manager. The Texas field men recently set a fast pace in the 60-day juvenile membership campaign by securing 823 members and writing over \$750,000 juvenile insurance, taking first place among all the states.

Mr. Sims soon will move to Omaha to direct activities of the field force from national headquarters.

Modern Woodmen Names Several Field Managers

A number of field appointments have been made by Modern Woodmen of Rock Island, Ill.

Due to the resignation of Ray Trout of Indiana, E. H. Wilson, Rock Island, has been appointed Indiana manager. DeLynn G. Holston, Omaha, becomes Pennsylvania manager due to the resignations of Frank Blair in western Pennsylvania and Allen Clauser in eastern Pennsylvania. He assumes charge of the whole state.

Henry Brooks, Burlington, Ia., has been appointed Iowa manager to fill the vacancy resulting from the resignation of Harry Wood. J. A. Cobb has been named Georgia manager.

Mr. Wilson has been connected with Modern Woodmen in office and field since 1930. He attended the 1945 Purdue life insurance short course and since then has done special work in the field, first in Nebraska, associated with State Manager Harry Carson, and since then in northern Illinois and Missouri.

Mr. Holston is a newcomer to Mod-

ern Woodmen, having started with another fraternal in 1934 and in 1937 becoming state manager in Oregon and Washington. Then he joined another society as Arizona manager and until recently since 1942 had been in the army, rising to captain in the adjutant general's department.

Manager Brooks has been with the society since 1934, first as district manager in Minnesota and Iowa. Since 1940 he has been a member each year of the President's Club and in 1945 ranked fifth in new business nationally in Modern Woodmen, exclusive of junior term insurance, with total paid production of \$390,000.

State Manager Cobb of Georgia has been an agent of Modern Woodmen since 1931, becoming a district manager and being one of the company's leaders, consistent member of the President's Club for a number of years and eighth last year among the society's producers. He has spent a long time in business at Chattanooga.

Unity L. & A. Has Record Month

New life business of Unity Life & Accident during July exceeded \$3 million. This was the month of the Lee-Syd contest, meaning Lee J. Bailey, secretary, and Sydney N. Randall, superintendent of agencies. The navy team led by Admiral Randall outdid the army team in charge of Mr. Bailey.

The winning team will receive extra awards which will be distributed at a victory dinner at New York later in the fall. On the final day of the contest, there was a celebration with E. R. Deming, president, as host.

Hold 1947 Convention in Buffalo

Protected Home Circle is scheduling its supreme circle meeting at Buffalo June 23-25, 1947. A new business campaign has been started in which field representatives can qualify for a free trip by their production of adult and junior business.

Blais Promoted to Manager

Joe E. Blais, assistant manager of the audit record department of Maccabees out of the head office at Detroit, has been promoted to manager of the commission department. He has been with Maccabees since 1923, starting in the sickness and accident department and being promoted in 1928 to traveling auditor. He held that post for 16 years and in 1944 was recalled to the home office as assistant manager of the audit record department.

Melohn Chicago Branch Aid

Clarence Melohn has been appointed agency assistant of the Chicago Continental Assurance branch. He succeeds Frank A. Miles, associate manager, an important factor in the branch, who now desires to concentrate on his personal business.

Mr. Melohn graduated at Northwestern University and was with Provident Mutual until he entered the army in 1943.

Nilsen Hammond Assistant

Wilmer M. Hammond, Los Angeles general agent of Aetna Life, has appointed Howard I. Nilsen assistant general agent at San Diego, succeeding William J. Haggerty, resigned. Mr. Nilsen has been with the agency for some time, and was chosen for the place by unanimous vote of his fellow Aetna agents in San Diego.

W. W. Rolapp Retires

Walter W. Rolapp, vice-president Pacific Mutual Life in charge of the mortgage loan department, is retiring Aug. 15. He has been associated with the company more than 10 years and has occupied his present position for several years.

Pacific Mutual Reduces Rates, Raises Dividends on Juvenile Insurance

Pacific Mutual Life announces a marked reduction in premium rates on juvenile life insurance, both participating and non-participating, and an improved dividend scale on this class of business. Rates for the payor clause also were lowered. The changes went in effect Thursday.

In the past Pacific Mutual over age 5 would write any form, but juvenile now is limited to three contracts, 20 payment life, 20 year endowment and endowment at age 18. In calculating the rates for the payor clause in the past the age of child as well as parent was considered; now only the parent's age is used. This results in substantial decrease in the rate.

The dividends generally have been increased about 30 cents per \$1,000. Policy values remain unchanged.

Comparative premium rates for juvenile life insurance are: Participating policies—20 pay, age 0, new \$19.35, old \$23.55; age 5, new \$20.71, old \$22.71; 20 year endowment, age 0, new \$50.11, old \$50.99; age 5, new and old, both \$50.15; endowment at 18, age 0, new \$49.69, old \$51.65; age 5, new \$72.37, old \$75.36. Nonparticipating policies—20 pay, age 0, new \$20.82, old \$22.49; age 5, new \$20.51, old \$21.65; 20 year endowment, age 0, new \$45.83, old \$46.82; age 5, new \$45.98, old \$46.63; endowment at 18, age 0, new \$50.46, old \$52.39; age 5, new \$74.18, old \$75.81.

Progress from "Guns to Houses"

WASHINGTON—Reviewing progress "from guns to houses"—and prospects—the U. S. Chamber of Commerce reports as follows on insurance industry angles related thereto:

"Important to housing prospects was a movement by life insurance companies to invest \$150 million in rental projects, raising their total investments in this field to \$275 million.

"Life insurance companies expect to invest at least \$1 billion 25 million in new mortgages, much of which will be veterans' home loans. This would lift mortgage holdings of life insurance companies above \$6½ billion, including more than \$4 billion on homes and apartments.

"Efforts to improve employer and employee relations, together with national demand for greater security of income from private sources, multiplied pension plans, group life insurance, group accident and sickness and medical care programs. Group life insurance in force June 30 topped \$25 billion, a gain of nearly \$2½ billion in the first half of 1946 and up about \$10 billion since the end of 1940."

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4,104 Boys Enrolled by Woodmen Society in Sixty-Day Drive

Assisted by local Camp members and officers, Woodmen field men made "Tomorrow's Builders" juvenile membership campaign a success. In 60 days, ending July 15, they enrolled 4,104 members and wrote \$3,728,510 of juvenile insurance protection.

WOODMEN OF THE WORLD Life Insurance Society OMAHA, NEBR.

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Founded 1899

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Bina West Miller Supreme President Frances D. Partridge Supreme Secretary
Port Huron, Michigan

Phoenix Mutual Loses N.L.R.B. Case

(CONTINUED FROM PAGE 3)

of New England Mutual, both in Chicago.

Both agents have indicated that they would not now consider going back with Phoenix Mutual and say that they had issued the complaint solely to obtain renewals which were due them and to safeguard the rights of other Phoenix Mutual agents.

Gist of Report

First step in the examiner's report was to overrule company attorneys' stand that Phoenix Mutual is not subject to the jurisdiction of the board. The examiner maintained, however, that the company's business is conducted across state lines and international boundaries and is an operation manifestly dependent upon constant employment of interstate communication and transportation facilities.

Overriding the contention of company attorneys that the Chicago-LaSalle branch office is not under jurisdiction of the board even though the home office may be, the examiner says that the local office could not logically be considered a separate enterprise.

The examiner maintained that members of the cashier's department work in close cooperation with salesmen who are often aided or hindered by the degree of efficiency displayed by that staff, thus overriding company contention that the conduct of the cashier was of no concern to the two agents.

Company Bears Expenses

In his determination that salesmen of Phoenix Mutual are employees within the meaning of the National Labor Relations act, the examiner reasons that, though they are paid on commission, the salesmen are supplied by Phoenix Mutual with office space, desks, telephones, stenographic aid and other necessary supplies. In addition, Phoenix Mutual bears the expense of the state license, as well as the expense of an indemnity bond and certain advertising material. The agents are forbidden by contract to sell insurance for any other concern, are required to devote their full time to the job and may not assign to others their rights under their contract. Finally, he maintains salesmen are required to submit a report of their activities each week, listing the number of hours worked and stating in detail the type of activities in which they were engaged.

The examiner says, "It is manifest that the salesmen occupy extremely important positions in the respondent's business. Without their services the business could not function. Indeed, the respondent sells insurance policies only through its salesmen, whom it has termed 'the most important part of its structure,' and to whom it has referred in its publication as employees and as a staff which it employs. As indicative of the respondent's own view of the salesmen's importance and relationship to it, it is significant that the respondent has instituted and financed a retirement plan for them."

The examiner said that neither the company argument nor the salesman's contract creates more than an illusion of a principal-independent contractor relationship.

Beyond Common Law

The examiner indicates his belief that common law standards are not applicable in determining who are employees within the meaning of the act. Instead he says the answer is to be found primarily in "the history, terms and purposes of the legislation which must be read in the light of mischief to be corrected."

Various factors which the examiner takes cognizance of are that the rate of compensation and broad term conditions of work are fixed by Phoenix Mutual with no alternative on the part of the



"HOW DO YOU DO, SIR? I'M WORKING MY WAY THROUGH COLLEGE, PURDUE, THAT IS."

salesman but to accept the contract or to terminate the relationship. He says that in this case salesmen are subject as a matter of economic fact to the evils the statute was designed to eradicate. He terms this so because there exists an inequality of bargaining power on the part of the salesman on the one hand and the company on the other, as evidenced by the company's unilateral determination of commission rates and other terms and conditions of the salesmen's contracts. He goes on to note that salesmen and other personnel of various insurance concerns have engaged in organizational activities in different parts of the nation and quotes several cases in which this was true. He says the practice of self-organization and collective bargaining to resolve labor disputes has for some time been common among such atypical employees as insurance agents.

Company Stand

The examiner defends the action of Johnson and Davis in joining with other agents to petition the home office to interfere in the matter of appointing a cashier. Phoenix Mutual had maintained that this activity of the salesman was not within the protection of the act in that there was no labor organization involved in the activity and no effort by the salesman to create such an organization and that the selection of the cashier was beyond the scope of the agent's legitimate affairs. The company maintained that there was no concerted activity present and no proposal made to any officials with power in authority to select the cashier and that it was not the intent of Congress to afford protection to concerted activities of employees which do not relate to wages, hours or conditions of employment.

The examiner says that the salesmen's activity was obviously concerted and not individual, was an exercise of their rights notwithstanding the absence of both a labor organization or any effort by the salesmen to select a collective bargaining representative.

The examiner supports the complaint which alleges that Phoenix Mutual, in terminating the contracts of the two agents, interfered with, restrained and coerced its employees in the exercise of rights guaranteed in the act. The letters of the complainants from Harry C. Herbig, who was their agency manager at the time, which were presented as evidence, state explicitly that the contracts are being terminated because of the activity in regard to the cashier's appointment.

Mr. Hunt concludes that with the full agreement of appropriate officials in the home office, "the complainants suffered an extreme form of discrimination, the arbitrary termination of contracts. The remaining salesmen could not but see the

point. They never carried out their intention of signing and mailing to the home office the letter which represented the fruit of their discussion. Their concerted activity died aborning. Collective bargaining never passed the embryonic stage. Because of the respondent's unlawful conduct and its underlying purpose and tendency, the undersigned is convinced that unfair labor practices found are persuasively related to the other unfair labor practices proscribed and that the danger of their commission in the future is to be anticipated from the course of the respondent's conduct in the past."

Michigan School Districts Can't Pay Group Premiums

LANSING, MICH.—Attorney General Dethmere has advised Commissioner Forbes that school boards, under present statutes, lack the right to use school funds as a contribution toward group life insurance for teachers.

An earlier ruling in 1938 held that use of public funds to pay premiums on group contracts covering public employees "would be recognized as a proper and lawful use of such funds." That opinion, however, suggested that "whether a particular public agency or unit of government could lawfully use public funds for the purpose in question would depend upon the power and authority . . . delegated to it." Subsequently it was held home rule cities could not use funds for such a purpose without express authorization either by charter amendment or by direct legislation. Still later, in 1943, a special legislative act expressly authorized counties to provide group insurance for their employees.

"There is no corresponding statute applicable to school districts," the current opinion states. "Although recognizing . . . there is some argument to the effect that the power to fix compensation of teachers might be held to include the power to make direct payment of group insurance premiums as a part thereof, I am unable to advise that school districts presently enjoy such authority."

W. S. Crawford, insurance editor of the "Journal of Commerce," New York City, underwent an operation a week ago in Post Graduate hospital there. He is recovering satisfactorily.

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Mutual Life Move Studied

(CONTINUED FROM PAGE 1)

result in wrecked life insurance programs. He spoke forcefully on this theme at the 1937 annual meeting of the American Life Convention.

Mr. Lounsbury urged the elimination of the policy loan except to pay premiums. Faced with the necessity of either surrendering his policy for its cash value or going to a bank to borrow against the cash value he said most insured would decide against borrowing, whereas under the present system the ease and promptness with which policy loans may be obtained prompt much needless borrowing.

Mr. Lounsbury said that since in the aggregate it appears that the cash loan provision does more harm than good to all parties to the contract—insured, beneficiary and company—he advocated that the life insurance fraternity work consistently, intelligently and determinedly to bring about a change in state laws to the end that the cash loan provision be abolished in life insurance contracts.

Allyn Takes Stand

In response to inquiries as to the Connecticut department's attitude toward lowering policy loan interest rates below those provided in the contract Commissioner Allyn has issued a statement strongly disapproving a cut below 5% and raising the question of possible discrimination. He says the discrimination question "is perhaps more serious where, instead of making a flat reduction in rates, the company provides a sliding scale based on the size of the loan."

Mr. Allyn deplures any move that would encourage policyholders to burden their policies with debt "by tempting them with a low policy loan interest rate or otherwise." Even though such a low rate may superficially appear to benefit the borrower, yet the company in the long run has done him no favor, according to Mr. Allyn, for it has put him in the position where he is apt to lose his protection during bad times.

Referring to Mutual Life's recent announcement of a reduction of 6% rates to 5% and a further sliding scale reduction based on amount, Mr. Allyn says: "Without discussing the possible resentment of the small 5% borrower at the 3% rate available to the large borrower, I will say that if the net effect of this reduction is to encourage further borrowing on policies or to discourage the payment of existing policy loans, the desirability of the change is certainly open to question. I make this statement even though as insurance commissioner I know that high interest rates are not popular with borrowing policyholders."

Sees Cut in Income

Mr. Allyn contended that reduction in interest rates means an immediate reduction in interest income, which may be reflected in dividends paid on mutual or participating policies. He also expressed doubt as to the value of such a move, even with a sliding scale of rates, in recapturing any substantial portion of the large policy loans which have been lost to other lending institutions unless the companies actually cut below the rates of these outside lenders, since the large borrower will not ordinarily shift his loan back to the insurance company and pay a higher rate. It is not the function of life companies to make their policy loan rates competitive with collateral loans, Mr. Allyn stated.

Since the 6% rate on old policies seems high under current interest conditions Mr. Allyn suggested it might be best for all concerned to cut the rate to, say, a flat 5%. This, he said, would not be low enough to encourage the policyholder to borrow or attract policy loans in competition with other lenders but would be low enough to avoid a great deal of the criticism that results from keeping the 6% rate.

Perpetuate Management Control with Insurance

(CONTINUED FROM PAGE 2)

paid in net premiums of which \$28,868 has applied to the contracts of the three major stockholders. The cash value of the contracts on the lives of the survivors are assets on the hospital books and stand at \$24,783. Subtracting proceeds plus cash values from new premiums shows bookkeeping costs have been \$4,739. Considering the fact, however, that many of these contracts are now irreplaceable, due to the age or uninsurability of many of the participants, their actual value is much greater than the book value. Even so, this cost represents an average of only \$293 a year to the institution or \$9.16 a year per policyholder. This is the price for the benefits of insuring control, maintaining high standards and guaranteeing a market and price for the stock.

Benefits Have Been Great

The cost of the contracts of the founders has been relatively great, but so have the benefits. By good fortune these men have lived and a hazard was avoided and the institution given a stability of management and continuity of program, otherwise lacking.

Mr. Baird says that a more accurate picture of the possible workings of such a plan in other organizations would be obtained by eliminating the three contracts of the founders. Considering only the 37 other contracts of comparable size, the actual total net premiums have been \$16,145, the death claims \$15,490 and the current cash values \$9,796. This demonstrates a gain in addition to the value of the services performed of \$9,141.

Supreme Liberty in 25th Year

Supreme Liberty Life of Chicago will celebrate its 25th anniversary Aug. 22-24. It is owned and controlled by, and serves the insurance interests of colored people.

ple. Capital and surplus are \$1,500,000; assets exceed \$5,600,000 and insurance in force is \$100,000,000.

Outstanding business and professional men of the race serve on the board and able intelligent officers manage it, headed by Truman K. Gibson, president, a Harvard graduate and recipient of the Harmon award for business achievement. W. Ellis Stewart, University of Illinois graduate, is secretary; Dr. M. O. Bousfield, Northwestern University graduate, medical director; J. G. Ish, Jr., Yale graduate, agency officer, and James H. Jones, Morehouse College graduate, comptroller.

Anniversary plaques symbolic of extended, outstanding service will be presented to directors and leading field workers, and valuable prizes to premier producers at a banquet in Chicago Aug. 22.

Producers Seminar at N.A.L.U. Meeting

(CONTINUED FROM PAGE 1)

pervisor and later manager for that company in Kansas. After service in the first world war he returned to Metropolitan.

In 1924 he became Topeka general agent of Equitable of Iowa and later transferred to Kansas City, Kan. In 1928 he merged his agency with the Herbert A. Hedges agency of Equitable in Kansas City, Mo., and embarked on an 18-year career as a personal producer. He is a past president of the Kansas City (Kan.) Association of Life Underwriters, and he has been a frequent speaker before sales congresses and local associations.

For the second year, Albert Esterkin, Columbus, O., agent of Bankers National Life, has qualified for the Million Dollar Round Table.

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National L. & A. Provides AP Facilities



Through an arrangement with National Life & Accident, the Tennessee bureau of Associated Press was able to do an unusual job of compiling returns from Tennessee's Democratic primary Aug. 1.

Setting up in National's machine room, and enlisting the assistance of a group of the company's trained operators directed by Assistant Secretary L. C. Knopp, the AP used equipment in tabulating the returns from over the state in such speedy fashion that the results were fed to AP's member papers

and radio station in an unusually short time.

National L. & A. made the equipment available to AP without charge as a public service. The AP bureau chief said it was the best setup for handling election returns he had ever seen.

County reports were punched on cards as they came in, and the cards were then fed through the tabulating machines, with the result that state-wide tabulations were available within a few minutes after county reports were received.

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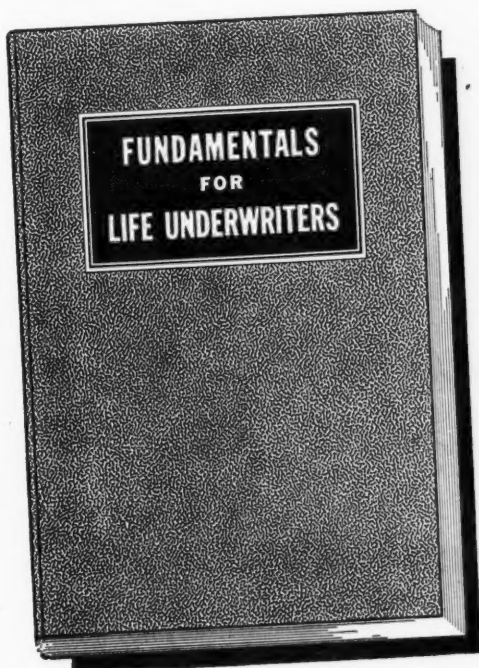
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- II. The Basic Life Insurance Policies
- III. Premiums, Dividends and Non-Forfeiture Values
- IV. Additional Policy Provisions
- V. Settlement Options and Annuities, Double Indemnity and Waiver of Premium Benefits
- VI. The Legal Phases of Life Insurance



ABOUT THE AUTHOR

In November, 1938, William A. Spiker, C. L. U., joined the Agency forces of one of the largest of the American Companies in New York City, and paid for \$200,000 of Life Insurance in his first year.

From January 1, 1940, to November, 1941, he held the position of Supervisor, being responsible for recruiting and training Agents in one of this Company's New York City branches.

In November, 1941, he was transferred to the Home Office of his Company as Educational Supervisor in the New York City territory. In this capacity, he prepared a complete course for prospective Agents, which was designed to equip them for New York State License Examinations. Such work involved the actual conduct of classes by Mr. Spiker, and his record as an instructor was outstanding, since very few applicants taking his course failed to pass the License Examinations.

In February, 1943, Mr. Spiker was moved to the Detroit branch of his Company to assume supervisory duties in that city, and he remained at this work until April, 1944, when he was commissioned as an officer in the United States Navy.

After serving 21 months in the Navy, 15 months of which were as commanding officer of an LCI, he was released to inactive duty and was appointed to the managership of the Cincinnati branch of his Company on February 1, 1946.

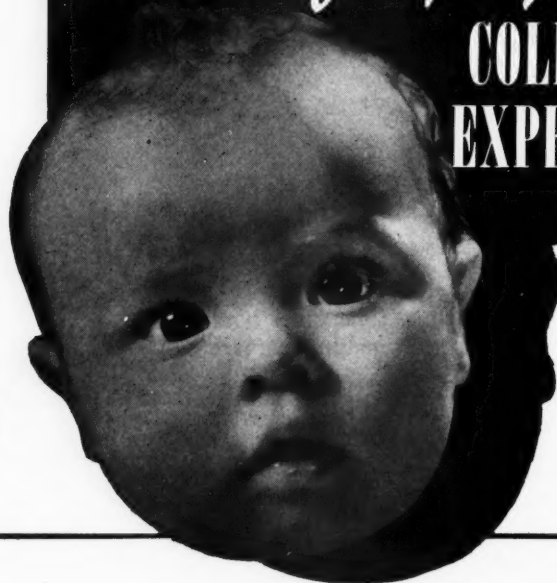
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